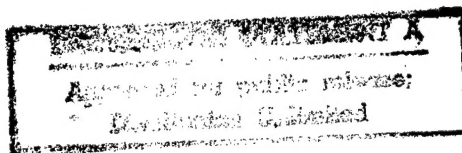


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29 July 1982



# South and East Asia Report

No. 1173

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## SOUTH AND EAST ASIA REPORT

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FINANCE MINISTER SPEAKS AT GENEVA MEETING

Dacca THE BANGLADESH TIMES in English 13 Jun 82 p 3

[Text] Mr A M A Muhith, Minister for Finance and Planning expressed concern over the grave situation facing the UNDP and suggested for holding a global roundtable meeting of the donors for UNDP for raising adequate resources, says a PID hand out.

The Minister who attended the 29th session of the UNDP Governing Council in Geneva last week on an special invitation from the Council President pointed out the serious implications of resource cut in UNDP in the development of many developing countries including Bangladesh. The first four days of the three week-long Council meeting were earmarked for discussion on the most critical issue of resource mobilization.

The Minister expressed alarm at the shortfall of resources by 47 per cent in 1982 when resources was only 550 million dollars compared to a target of 850 million dollars. The cut will severely jeopardize the planned efforts in development of the recipient developing countries in general and the least developed countries in particular. The fall in UNDP resource mobilisation is difficult to understand at this moment of the organisation's orientation to provide vastly increased proportion of resources to the relatively less fortunate developing countries. He referred to the historic Decision 80/30 whereby the Governing Council decided in its 27th Session in 1980 to allocate 80 per cent of the UNDP indicative Planning Figures (IPFs) to the countries with per capita income of 500 dollars or less. The six per cent negative growth in resources in 1982, the first year of the Third Cycle will not only dash the hopes of increasing resources in these countries but will also threaten the successful implementation of the development plans of these including SFYP of Bangladesh. This cannot be allowed particularly in view of the 14 per cent annual growth rate in UNDP resources in the decade of 70s.

Mr Muhith pleaded for additional resource for UNDP from the donor community so that it can continue to play the useful catalytic role in the process of development of the developing world. As an interim measure, particularly for the Least Developed Countries compensating resources should be flowed through the LDC Special Measures Fund of UNDP Bangladesh was thinking of moving a resolution urging the contributors in this behalf to increase resources to the LDC Special Resource Fund.

## Replenishment

The Finance and Planning Minister of Bangladesh also dealt at length on the various alternative methods of financing the UNDP programme in future. It has now been observed that annual pledges for voluntary contributions to fund UNDP Country Programmes of five year duration creates serious uncertainty. Some contributors have genuine legal and administrative difficulties in making multi year pledges. As an additional method of safeguarding the integrity and usefulness of the UNDP Programme in the developing countries, the Minister recommended for future the replenishment method. All the other LDCs supported Bangladesh. Amongst the major contributors to the UNDP Programme, Canada and the Scandinavian countries lent support to the replenishment idea recommended by Bangladesh.

For getting over the immediate crisis caused by the dwindling UNDP resources Mr Muhith suggested a round table meeting of the donors. It received wide support amongst the Council members. Administrator of UNDP Mr Bradford Morse was reported to be considering such a round table meeting for August/September this year.

Permanent Representative of Bangladesh in Geneva and the first Secretary of that Mission are now attending the Governing Council meeting as Observers. The Council is expected to conclude its work by June 21, 1982.

Earlier, Mr A M A Muhith Minister in-charge of Finance and Planning visited Rome on his way from Istanbul to Geneva.

CSO: 4220/7501

ERSHAD MEETS PRESS BEFORE LEAVING FOR NEW YORK

Dacca THE BANGLADESH OBSERVER in English 15 Jun 82 p 1

[Text] Chief Martial Law Administrator Lt. Gen. H.M. Ershad left the capital on Monday for New York to attend and address the second special session of the UN General Assembly on Disarmament.

On his way to New York the CMLA will make a brief in stop-over in London and meet the British Prime Minister Mrs. Margaret Thatcher and discuss with her the latest global situation and matters of bilateral interests

Talking to newsmen at Zia International Airport prior to his departure by a scheduled Biman flight the CMLA said that in his address to the UN General Assembly session he would reiterate the Bangladesh policy on disarmament. He observed that Bangladesh had always played important role on disarmament. He said that the developed countries had been spending 600 billion US dollars annually for arms buildup. If only a portion of this huge amount he added could be saved and diverted the poor nations would have been benefited He was of the opinion that the money now being spent on arms race could save millions of poor people and children from abject poverty and hunger.

During his stay at the UN headquarters the CMLA is expected to meet different leaders who are attending the UN special session.

Replying to a question the CMLA said that there was a possibility of a meeting with the US President Reagan who will also address the UN session. But he added that it would be better for him to meet the US President in a separate visit. The United States gives us the biggest aid and it is necessary for me to apprise the US President about our development efforts. He told newsmen that during his current visit to New York he had no programme to visit Washington.

The CMLA said that during his brief stopover in London he would meet the Bangladeshis residing in UK "I shall inform them about the Martial Law and the latest situation in Bangladesh" he added.

Asked to comment on the latest Israeli aggression on Lebanon the CMLA said that Bangladesh had always extended her support to the Arab world. He reiterated the declared policy of Bangladesh for the establishment of a Palestinian state and peace in Middle East.

BSS Adds: The CMLA told another questioner that he had no plan to expand the existing number of Ministries which had been reduced to only 17 from earlier 42. He said that he would appoint one more Minister for Information and himself retain the Defence and Home Ministries.

General Ershad said that he was thinking about reorganising the existing Information Ministry and rename it as the Ministry of Mass Communication.

Replying to another question General Ershad reiterated his earlier statements and said that he would not become President so long he was in uniform.

The CMLA said that he has likely to return to Dacca on June 21 or 22.

The CMLA was seen off at the airport by Rear Admiral M.A. Khan DCMLA in-charge of Communications Ministry, Air Vice-Marshal Sultan Mah. mud DCMLA in-charge of Energy Ministry members of the Council of Ministers and high civil and Military officials.

The US Ambassador Mrs Jane A. Coon, British High Commissioner Sir Michael Scott Saudi Arabian Ambassador Sheikh Fuad Abdul Hameed Al.Khatib and Dean of the Diplomatic Corp Josif Chivu of Romania were also present at the airport.

CSO: 4220/7503



ERSHAD SENDS MESSAGE TO NEW SAUDI KING

Dacca THE NEW NATION in English 15 Jun 82 pp 1, 8

[Text] The Chief Martial Law Administrator, Lt. Gen. H. M. Ershad yesterday felicitated King Fahd Bin Abdul Aziz of Saudi Arabia expressing his confidence that the kingdom would continue to act as the moving spirit in the Islamic world to further the cherished cause of islam and the Muslim Ummah, reports BSS.

In his message on the occasion succession of King Fahd as the monarch of the kingdom of Saudi Arabia, the GMLA extended warmest greetings and best wishes for the long life, personal health and happiness of the King Fahd and wellbeing and progress for the fraternal people of Saudi Arabia.

In the message the CMLA said, 'on the solemn occasion of your succession as the monarch of the kingdom of Saudi Arabia, we extend our sincerest felicitations to you. We have every confidence that under your wise and dynamic leadership, the kingdom and the brotherly people of Saudi Arabia will continue their march towards progress and prosperity.

We are also certain that the kingdom will continue to act as the moving spirit in the Islamic worl to further the cherished cause of Islam and the Muslim Ummah.

On behalf of the people and Government of Bangladesh and on my own behalf, I convey to Your Majesty our warmest greetings and best wishes for your long life, personal health and happiness and for the fraternal people of Saudi Arabia, wellbeing and progress.'

Signs Condolence Book

Lt. Gen. Ershad yesterday afternoon signed the condolence book opened at the residence of the Saudi Ambassador to record his grief at the death of King Khalid of Saudi Arabia.

In his condolence, Gen. Ershad said, "We deeply mourn the sudden passing away of respected King Khalid, the leader of the Muslim world.

May Allah grant his soul eternal peace".

CSO: 4220/7495

'DEVIOUS' ACTIVITIES OF FOREIGN GROUPS REPORTED

Dacca THE NEW NATION in English 15 Jun 82 pp 1, 8

[Article by Kazi Montu]

[Text] Many voluntary organisations operating in Bangladesh depending on foreign assistance have been making efforts to convert Muslims into Christians under the cover of development and relief activities.

This was discussed at a recent meeting of the Council of Ministers which viewed the situation with concern and decided to take measures to halt it, a highly-placed source disclosed.

It is learnt that the government will shortly amend the relevant ordinance prohibiting the foreign agencies and embassies from providing assistance to any voluntary organisations operating in Bangladesh without prior permission of the Government.

It was pointed out in the meeting that the number of the voluntary organisations had kept on increasing since 1972. Some of them have been carrying on the conversion process in the calamity-affected areas in the name of relief operations.

Instead of direct conversion they cleverly try to pass off the Christian religions as 'Issahi Muslims' religion. They call Bible holy Ingil Sharif and churches 'prayer houses' in an attempt to befool the innocent and ignorant Muslims.

These voluntary organisations initially get assistance from the local influential persons to launch their operations in Bangladesh, it was mentioned.

It was also said that the growth rate of population in Bangladesh from 1951 to 1961 had been 21 percent. But the Christian population increased by 40 percent.

After a prolonged session the Council of ministers adopted a series of resolutions. One resolution asked the Religious Affairs Ministry to enlist the names of those religious bodies which are receiving foreign assistance and submit a proposal to the Council of ministers as to how the Islamic institutions can be strengthened.

Another resolution said the Foreign Aid Control Ordinance of 1978 would be amended appropriately so that the receipt of money or any other foreign assistance by voluntary organisations without government permission would be liable to punishment.

The control of the voluntary organisations will remain vested with the Home Ministry according to the Foreign Aid Control Ordinance of 1978 and it was also decided that conversion of religion in a dishonest way would not be allowed.

The Home Minister was asked to submit a self-sufficient proposal after reviewing the activities of the voluntary organisations in the light of its resolutions within a given time.

The organisations which are operating in Bangladesh running on foreign assistance are divided into two categories--one includes voluntary bodies involved in developmental works or both developmental and religious activities within the framework of Foreign Aid Control Ordinance of 1978 and the other is concerned with the churches only. The churches include both Catholic and Baptist missions which are permanent institutions and hence not covered by the provisions of the Ordinance.

According to the report of the Home Ministry about 128 voluntary organisations are operating in Bangladesh. Of them, 120 are registered with the relevant government department while the registration of the remaining ones is still under consideration of the government.

Ninetyfive out of 120 voluntary organisations are exclusively involved in the developmental works and the other 25 bodies are carrying out both developmental and religious activities.

These bodies spent about Tk 21.3 million US dollars in fiscal 1980-81. Foreign nationals numbering 540 are now serving under these organisations, some of which have employed more than 50 employees each.

The Director of the Social Welfare Directorate registered the voluntary organisations upon recommendation of the concerned standing committee which is represented by the Home Ministry, Planning Ministry, Finance Division, relevant administrative ministry Relief and Rehabilitation division, Social Welfare Directorate and National board revenue. The committee is headed by the Joint Secretary of the External Resources Division.

There are boards in each district established by Home Ministry to keep vigil on the activities of these organisation. The boards are constituted with the Superintendent of police of Special Branch, officers of National Security Intelligence and Director General Field Intelligence, Additional Director of the Directorate of Social Welfare and Resident Director of Islamic Foundation. The boards are headed by the Deputy Commissioners.

CSO: 4220/7595

CASE AGAINST FORMER COMMERCE MINISTER TOLD

Dacca THE NEW NATION in English 12 Jun 82 p 3

[Text] The five-member Special Martial Law Tribunal No 2 headed by Colonel A B M Elias on Thursday began trial of the second case against Chowdhury Tanbir Ahmed Siddiky, former State minister for Commerce, on charges of corruption and abuse of official position under Regulation 11 of MLR I of 1982, reports BSS.

The Chairman of the Tribunal read out the charges against Chowdhury Tanbir Ahmed Siddiky who pleaded not guilty.

In this case Mr. Tanbir Siddiky has been charged with attempting to obtain through corrupt and illegal means and abuse of official position, pecuniary advantages either for himself or for others to the tune of 1,06,74,650 US dollars equivalent to Tk. 19,95,78,950.50.

According to the prosecution case, during his tenure of office as the State Minister in charge of the Ministry of Commerce accused Mr. Tanbir Siddiky passed arbitrary orders on 5-11-81 for the conclusion of a special trading agreement (STA) between the Trading Corporation of Bangladesh (TCB) and a foreign firm for 10 million US dollar for 3 years despite objection by the Ministry to such an agreement. As the firm was a new entrant in the field of STA in Bangladesh and its financial position and business reputation were under inquiry and as there was strong public criticism against it, the signing of the STA could finally be stopped at the intervention of the higher authority. He thus dishonestly, arbitrarily and illegally attempted to obtain pecuniary advantage to the tune of 10 million US dollars equivalent to TK 18,84,00,000/--either for himself or for the said foreign firm or others.

Secondly, accused Mr Tanbir Siddiky dishonestly attempted to obtain pecuniary advantage of 6,74,650 US dollars by ordering for the acceptance of an international tender of a foreign firm for the import of cement by TCB at a high rate of 78 US dollar per metric ton ignoring objection of the tender committee.

Earlier, he rejected a tender submitted by a firm for supply of the same at a lower rate of 74,75 US dollars per metric ton although recommended for acceptance by the tender committee, Mr. Tanbir Siddiky also refused to import the cement from Indonesia according to the suggestion of the Islamic Development

Bank which was providing credit for its import. As a result, the Islamic Development Bank was about to cancel the credit when External Resources Division took up the matter. Later, 1,63,000 tons of cement were procured from Indonesia at a reduced price of 73.70 US dollars per metric ton by way of negotiations resulting in a saving of 6 74,650 US dollars.

The prosecution case is being conducted by Special Public Prosecutor Mr. Ashrafuddin Ahmed and Asistant Special Public Prosecutor Mr. A. S. M. Obaidul Haq. A team of lawyers, including Mr. Serajul Haq senior advocate appeared on behalf of the defense.

The tribunal will start hearing the case on Monday (14th June).

CSO: 4220/7498

AGRICULTURE MINISTER SPEAKS AT JAKARTA MEETING

Dacca THE BANGLADESH OBSERVER in English 13 Jun 82 pp 1, 12

[Text] JAKARTA, June 12--Bangladesh has proposed the establishment of Sub-regional food security reserve with the ultimate objective of linking it with a regional network for food security in Asia and the Pacific region reports BSS.

The proposal was made by Mr. A. Z M. Obaidullah Khan Minister for Agriculture on June 7 at the 12-day FAO Regional Conference for Asia and the Pacific which ended here today

Mr. Khan who led the Bangladesh delegation to the conference pointed out that while international food security or buffer stocks had remained in the embryonic stage ASEAN Food Security Reserve (AFSR) had been established with 50,000 tons of rice which was the first of its kind as a regional reserve.

Describing AFSR as a pioneering example of regional co-operation Mr. Khan said "It augurs well that the member countries of Asia and the Pacific region have also taken new initiatives in this regard".

Mr. Obaidullah Khan referred to the strategy for regional development and said "We had proposed at the last Regional Conference taht FAO programme of work may be reoriented in order to highlight the issues and priorities that have emerged'. First we must work out a series of regionwide projects that strongly support and mutually reinforce the national efforts for a vastly expanded intensive irrigated agriculture he said.

Second water conservation programme envisaged as a mass mobilisation programme consisting of millions of small-scale allout intensive efforts in building up infrastructure has the potential in the short run to generate massive employment opportunities through a decentralised strategy of development.

"Third linking agriculture and industry will create employment opportunities in the countryside and build up growth centres" Mr. Khan said.

Mr. Khan said "Realisation of all these concepts will need heavy investment We must underscore that the development matrix is bound to grow more complex with the completion of small and immediate projects which will bring into high relief the long term goals and then the long term projects will require even more massive capital investment"

The Agriculture Minister pointed out "this is particularly relevant to the improvement of irrigated cropping system. It will further require awareness of developing world's needs on the part of the developed countries and their commitment to provide capital for the complex and arduous tasks to be completed. This will also ensure realisation of the food security goals of the developing countries even if partially".

Referring to the agriculture in Bangladesh Mr. Khan said, "agriculture in Bangladesh in recent years has had a steady development" sustained on a water-seed fertilizer technology. Intensive irrigation more than anything else is the spearhead of our growth strategy for ensuring a minimum four per cent growth rate in cereals production per annum".

The Bangladesh leader said "by developing agriculture we may support industry in a complementary manner. Agri-support industries from simple hand tools and repair works to equipment for irrigation, drilling, harvesting, drying or threshing could become a technology tree with mutual linkages. Simple packaging and preservation could add value to agricultural produce while the by-products could be further processed."

CSO: 4220/7499

#### FEW PRIVATE BANKS REPORTED STARTING OPERATIONS

Dacca THE NEW NATION in English 14 Jun 82 pp 1, 8

[Text] One out of nine private banks which obtained permission from the Government has gone into operation from the last month with its lone branch in the metropolis and made a profit of about Tk 9 lakhs in this short span of time.

It is learnt that some of them have not yet been able to collect required amounts of capital while the remaining ones are still faltering for various reasons.

Among them the Progressive Bank was due to launch its banking services in the meantime. It has mobilized the bulk of its capital and hired a house on the side of the Mirpur Road for opening its first branch. A large signboard bearing the name of the bank has also been hung there.

But it has run into snag with the arrest of a former minister belonging to Sylhet district on various charges following the proclamation of Martial Law. It is learnt from a reliable source that the former minister was unofficially associated with the bank.

The sponsors of the bank, who are mostly from Sylhet district and now living in London will soon meet to take final decision on its fate, it is gathered.

The Arab-Bangladesh Bank which initiated banking services on April 12 has already received a substantial sum of deposits in a month of its operation. The bank will be formally inaugurated on June 18.

According to a bank source, it will open nine more branches in the country. There will be total four branches in Dacca, four in Chittagong, one in Rajshahi and one in Khulna shortly.

This bank has been undertaken in collaboration with the Dubai Bank. The Board of Directors includes four members from Bangladesh who are leading industrialists of the country and two from the foreign bank. Currently the Dubai Bank holds 75 percent share of the bank and the rest is held by the Bangladeshi directors.



A source in the bank said that the share held by the Dubai Bank would be reduced to 65 percent finally.

It is gathered that there is an understanding between the Bangladeshi sponsors of the bank and the Dubai Bank authorities regarding employment of personnel of the Arab-Bangladesh Bank in the Dubai Bank and imparting of higher training in banking management by it to the employees and officers of the local bank.

The bank has introduced tellers system instead of token system for encashing its cheques at the counters to ensure quick services. Talking to The New Nation an official of the bank said that the operation of local banks in the private sector will give rise to a healthy competition between the private banks and the nationalised banks for improvement of overall banking services in the country.

The official further said the physical participation of the Arab Bank in the operation of a local bank of Bangladesh has enlarged the scope for the Arab banks to make investments in the industrial sector of the country.

It is learnt that the Arab bank has invested Tk 6 crore to purchase 75 percent share of the bank while the local sponsors contributed Tk 2 croroe.

CSO: 4220/7502

BANGLADESH

BRIEFS

ENVOY TO UK--LONDON, June 12--Bangladesh High Commissioner to the United Kingdom Mr. Fakh ruddin Ahmed presented his credentials to her Majesty Queen Elizabeth on Friday at Buckingham Palace here, says BSS. The High Commissioner conveyed the good wishes of the people and the Government of Bangladesh to her Majesty which was deeply appreciated. The Queen expressed the hope that the people of Bangladesh would continue to prosper and wished them peace and progress. [Text] [Dacca THE BANGLADESH OBSERVER in English 13 Jun 82 p 12]

CSO: 4220/7500

## DEFENSE MINISTER SPEAKS WITH CALCUTTA NEWSMEN

Calcutta THE STATESMAN in English 14 Jun 82 pp 1, 9

[Text] The first batch of Mirage fighters is expected to arrive by 1984 Mr R. Venkataraman, Defence Minister, said in Calcutta on Sunday. He said the deal with France had been completed. The Defence Minister was, however, reluctant to elaborate.

Mr Venkataraman returned to Calcutta on Sunday after a three-day tour of the north-eastern region. Speaking on the situation there, the Minister said that except for a few "sporadic clashes with Mizo rebels, the region is peaceful". No large-scale trouble was feared, he added.

Regarding Kashmir, the Minister said he did not agree with the Pakistani President, who, in a recent interview was said to have described it as a "disputed area". Mr Venkataraman said it should be made clear that Kashmir was an "integral part" of India and there was nothing "disputed" about it.

He said that this had always been India's argument and there had been no change. The Minister, however, said that India was closely going through the "no-war pact" forwarded by the Pakistani President and had not rejected it. India always wanted peace in the sub-continent, he added.

Reporters at the airport reminded the Minister about "rumours" stating that he might be the next President. With a smile on his face, he said: "I do not know about it. Who says so?" He was asked how he would feel to become the President. Without directly answering the question he said with a smile, "such questions should be asked to immature politicians".

Our Staff Correspondent in Bhubaneswar adds: Admiral O. S. Dawson, Chief of the Naval Staff, said here yesterday that programme to strengthen and modernize the Indian Navy was being implemented to make the country stronger in naval defence.

He said India had a rather small but effective Navy. "The Navy is confident and vigilant. We are patrolling our vast sea front adequately", he added. Under a programme to acquire sophisticated submarines a few submarines were being built in West Germany and Bombay with West German collaboration. Several old warships had been replaced by new ones. Modernization programme covered

aspects like sophistication in weaponry, propulsion, mobility and the control system.

Regarding manufacture of naval equipment, he said several naval ships had been built in the country. The country had become self-reliant in radar assistance and turbines and several other items.

Admiral Dawson said that the location of the Andaman and Nicobar Islands was strategically important from the defence point of view and that was why the headquarters of the Fortress Commander had been located in the Andamans. Apart from its job of generally guarding the sea, the Navy was responsible for protecting the territorial waters, spread over two million square kilometres.

He said the first phase of construction of the Naval Boys Training Institute at Dhilka, in Orissa, had recently been completed at a cost of Rs 6.2 crores. At present sailors' training was being imparted to 600 boys every year. The number of recruits would be doubled after completing the second phase of construction, with an expenditure of more than 2 crores, in about three years, he added.

CSO: 4220/7489

## FINANCE MINISTRY ASSESSES PUBLIC SECTOR OPERATION

Bombay THE TIMES OF INDIA in English 11 Jun 82 p 13

[Text] NEW DELHI, June 10--A quick assessment by the bureau of public enterprises of the Union finance ministry shows a dramatic improvement in the performance of the country's 166 operational public enterprises in 1981-82. In terms of both profitability and physical output in key sectors, the public sector improved substantially on its previous best performance in 1976-77.

The 166 enterprises together recorded a gross profit (before deduction of interest and taxes) of Rs. 2,483.7 crores, on a total capital of Rs. 21,208.6 crores. This amounts to a return on capital of 11.71 per cent which is over 50 per cent higher than the 7.8 per cent recorded in 1980-81. The previous best figure was 9.44 per cent in 1976.77.

In terms of the net profit the turnaround has been even more impressive. While the public sector recorded losses of Rs. 91 crores in 1977-78, Rs.40 crores in 1978-79, Rs. 74 crores in 1979-80 and Rs. 182 crores in 1980-81, it has shown a net profit of Rs. 413 crores in 1981-82. A large part of this turnaround is the result of the increase in the price of crude petroleum in July last year from Rs. 397 per tonne to Rs. 1182 per tonne.

On the 9.7 million tonnes produced between July 11, and March 31 this year, the ONGC increased its gross revenue by Rs. 700 crores. However, since its costs also rose mainly because of increased production) the organisation recorded an increase in gross profits of only Rs. 328 crores. Another Rs. 71 crores were contributed by Oil India which was not in the public sector in 1980-81.

However, even excluding the oil sector, the public sector has done well. The rest of the public enterprises have shown an increase in their gross profits of Rs. 257.44 crores. This has resulted mainly from substantial increases in output of 21 per cent in steel, 9 per cent in coal, 22 per cent in lignite, 47 per cent in nitrogenous fertilisers, 78 per cent in cement and 16 to 66 per cent in capital goods. The output of oil also rose by 43 per cent while the throughput of the refineries rose by 17 per cent.

Two enterprises, whose financial results do not seem to have been included in the quick assessment are eastern coalfields and Bharat Coking Coals. Both were heavy loss-makers in previous years.

The profits of the public sector would have been a good deal higher had 12 companies (excluding the coal sector) not recorded a total loss of Rs. 455 crores against Rs. 277 crores in 1980-81. Three fertiliser companies, the Fertiliser Corporation, Hindustan Fertilisers and Fertilisers and Chemicals, Travancore, accounted for Rs. 180 crores of these losses, despite the 40 per cent hike in June 1980 and the further 20 per cent increase in July 1981.

#### Loss-Making Concerns

The other major loss-makers were the Delhi Transport Corporation (849.9 crores), Hindustan Copper (46.3 crores), Kudremukh Iron Ore (36.5 crores) Indian Iron and Steel Co. (33.9 crores), the National Textile Corporation (586 crores) Indian Drugs and Pharmaceuticals (18.2 crores), the Cotton Corporation of India (117 crores), Engineering Projects India (15.5 crores) and Hindustan Shipyards (11.5 crores).

The quick assessment was presented to the cabinet barely a month after the end of the financial year. This has been made possible by the major changes that have been introduced in the reporting system by the director-general of the bureau of public enterprises, Mr. P. K. Basu.

Until three years ago, the BPE had never produced its annual report less than 12 to 16 months after the close of the financial year, that is to say, long after it had ceased to be of anything more than academic interest. For instance, the report for 1977-78 was released only in April 1979.

CSO: 4220/7480

## FOREIGN MINISTER MEETS REPORTERS IN NEW YORK

New Delhi PATRIOT in English 14 Jun 82 p 1

[Text]

NEW YORK, June 13 (UND) — Prime Minister Indira Gandhi's forthcoming visit to the United States is aimed at "greater mutual understanding" between New Delhi and Washington.

But, External Affairs Minister P V Narasimha Rao said yesterday, it does not reflect a softening of positions.

A visit does not by itself affect adherence to opinions. They are two different things. Mr Rao, here for a United Nations disarmament session, told a conference attended by Indian journalists.

Asked if India planned to terminate the Tarapur agreement since the US had failed to abide by it, Mr Rao said his Government was considering various options, including termination of the pact.

Asked to comment on the remarkable increase of late in the two countries economic co-operation, he said such a scope had always existed. The US already 'happens to be' India's largest trading partner.

On Afghanistan, Mr Rao who met the UN Secretary General on Friday evening, said Mr Javier Perez de Cuellar was hopeful

about the forthcoming Geneva talks which will be attended by the Foreign Ministers of Afghanistan and Pakistan and a representative of Iran.

He said the Secretary General seemed to believe the talks could ultimately lead to a political solution on the two-year-old problem. He said India was glad the talks were at last being held.

The Geneva meeting, beginning on Wednesday, follows diplomatic efforts by Mr Perez's negotiator on Afghanistan, Ecuadorian Diego Cordovez, who will mediate there as well.

Mr Rao, who arrived late on Wednesday from Ohio, where he was on a brief private visit, on Friday addressed the disarmament session where he also read out a message from Prime Minister Indira Gandhi.

When asked about his country's relations with neighbours he said India had always sought better relations with them.

He said he happened to meet the Pakistan Foreign Minister Sahabzada Yaqub-Khan and Chinese Foreign Minister Huang Hua at a luncheon Mr Perez hosted for Yugoslav President Petar Stambolic, but there had been no significant exchange with either of them.

CSO: 4220/7492

MECHANISM OF PRESIDENTIAL ELECTION DISCUSSED

Madras THE HINDU in English 7 Jun 82 p 8

[Article by K. K. Katyal]

[Text] Some years ago when an Opposition delegation came out of Rashtrapati Bhavan after a call on the President, one of them, Mr. Piloo Mody, then the Swatantra stalwart, cast an intent look at the stately mansion. Are you examining its architectural features, asked a party colleague. "No, I am wondering whether I will be its future tenant", replied Mr. Mody. That was some time before the Emergency when Rashtrapati Bhavan was adorned by Mr. Fakhrudin Ali Ahmed.

Mr. Ahmed had been elected with an overwhelming majority and the thought of a non-Congress occupant seemed fantastic. Mr. Mody's remark was, therefore, lost in the derisive laughter of the delegation members. But there came a time some two years later when it was possible for a non-Congress nominee to be in Rashtrapati Bhavan, for Mr. Sanjiva Reddi, though a consensus candidate, was initially sponsored by the Janata party.

Now, once again, when the presidential election is upon us, it is difficult to imagine that the new incumbent could be some one other than the nominee of the Congress (I) or Mrs. Gandhi.

Unassailable Position

The manner of a President's election in the past has always reflected the political realities of the time, and it could not be otherwise now. And what is the political reality? The Congress (I) has an overwhelming majority in the electoral college, composed of the elected members of the two Houses of Parliament and of State legislatures.

The election of the President is not a one-person-one-vote affair, but under the peculiar process, the value of vote differs as between MPs and MLAs and also between the members of the Assembly of one State and of another. The value of an MP's vote is 702 and of an MLA varies from 208 in U.P. to seven in Sikkim.



The overwhelming Congress (I) majority in the Lok Sabha and high-value States like U.P., Bihar, Maharashtra, Andhra Pradesh, Orissa, Rajasthan, Madhya Pradesh, Gujarat and Karnataka and its slight margin in the Rajya Sabha place it in an unassailable position in the electoral college.

Mrs. Gandhi will thus have no problem in seeing her nominee to victory. This will be so even if one were to make allowance for cross-voting in the Congress (I) ranks, not an unknown phenomenon, given the past experience of presidential and other contests. A possible loss on this count could be offset by support to the Congress (I) from the Opposition.

True, nine Opposition parties, Lok Dal, CPI (M), BJP, CPI, Janata, Congress (S), DSP, Congress (J) and the Karnataka Kranti Ranga of Mr. Devaraj Urs, have jointly moved for a consensus but does it mean that in the case of a contest none from among their ranks would depart from their line? The Congress (I), on several occasions, was supported by the DMK, AIADMK and some other Opposition elements which have not associated themselves with the nine-party move. Some of them could go with the Congress (I) in the choice of a new President.

#### Opposition Initiative

There is a hollowness about the Opposition initiative. At one stage, some of them thought of confronting Mrs. Gandhi with their consensus candidate in the hope that she would be on the defensive and hard put to it in rejecting it without appearing unreasonable and unresponsive to the unanimity plea. Later, they decided merely to ask the Prime Minister to take the initiative for a consensus and call them for consultations.

Simultaneously, some of the Opposition mooted the idea of a second term for Mr. Sanjiva Reddi. Whether the former Prime Minister, Mr. Charan Singh, sounded the President when they met last week was not clear, but Mr. Reddi declared two days later at a Srinagar function that he had no desire to seek "any more office" on completion of his term. Among those the Opposition has in mind is the Vice-President, Mr. Hidayatullah.

The opposition exposed itself to the charge that its move was part of a tactical game and Mrs. Gandhi might counter it by superior tactics. And that would push the issue back to where it was before the consensus talks began, with the difference that a lot of heat and acrimony would have been generated in the process. It would be a major surprise if, somehow, contacts between the ruling party and the Opposition result in an agreement and a contest is averted. A contest is part of democracy and one has not to take a tragic view of it. To say this is not to deny the merit of an agreed choice which could apply a much-needed healing touch to the troubled polity.

#### Consensus

Mr. Reddi was the first President to be chosen by consensus. This was due to the sagacity of the leaders who mattered in 1977, though the agreement was preceded by an unseemly controversy in both the ruling Janata party and the

Congress opposition over the initial choice of Smt. Rukmini Devi. Essentially, the consensus was possible because of the political reality of the time.

Although the Janata party had a big majority in the Lok Sabha and in most of the States where new assemblies were elected after the change of government at the Centre, it did not have a safe lead for the purposes of the President's election. In the Rajya Sabha, the ruling party was vastly outnumbered and the Congress controlled two southern States, Andhra Pradesh and Karnataka.

In the Lok Sabha, the Congress, despite its rout, had 152 seats (while in the present House, the combined strength of the nine Opposition parties is nowhere near it). As a result, none of the two parties, the Janata and the Congress, had a majority in the electoral college.

Of the total vote value of 10.87 lakhs, the Janata party commanded slightly less than five lakhs and the Congress less than four lakhs, with the CPI(M) and the AIADMK having lesser but sizeable support. The Janata party was no doubt, better placed (especially along with its allies), but there was the risk of its being outmanoeuvred. Therefore, it welcomed the consensus the moment it was mooted by the Congress Parliamentary Party leader, Mr. Y. B. Chavan.

Mr. Reddi was not in the first panel, conveyed by the then Prime Minister, Mr. Morarji Desai to Mr. Chavan, its three names being Smt. Rukmini Devi, Mr. K. S. Hegde, who later became Speaker of the Lok Sabha, and Mr. M. C. Chagla, former External Affairs Minister. Mr. Chavan expressed preference for Smt. Rukmini Devi to "see the fun in" the Janata which was sharply divided over her, despite Mr. Desai's strong support. The second Janata panel had two names, Mr. Reddi and Mr. Hegde and the Congress wanted the former. That along with the backing of the other Opposition parties for Mr. Reddi settled the issue.

#### The 1969 Election

Who would say that the presidential election of 1969 did not reflect the political situation of the time? The turmoil and confusion that marked the ruling party's affairs found full play in the contest in which the official Congress candidate lost to V. V. Giri, who was backed by Mrs. Gandhi. The post-contest events split the Congress and changed the course of politics.

The story of those days need not be recalled except to mention how Giri won. The cross-voting in the Congress, 40 per cent at the Centre and 20 per cent in the States, coupled with the second preferences (under the system of proportional representation) of the PSP and BKD defectors tilted the balance in Giri's favour. Between 175 and 190 Congress MPs responded to the "free vote" call and supported Giri and not the party's official candidate.

In the States, the extent of cross-voting varied, from nil in Maharashtra to 32 per cent in U.P. The value of votes secured by Mr. Reddi was 154,368 at the Centre in the first count, against 249,408, commanded by the Congress.

In the States, his tally was 159,180, out of the Congress vote value of 202,000. The scale of the cross-vote was actually higher because Mr. Reddi was backed by small non-Congress groups as well.

The contest in 1974, between Ahmed, the Congress nominee, and the combined Opposition candidate, Mr. Tridib Chowdhury, was less dramatic. It was an easy win for Ahmed who got 80 per cent of the votes cast, more than the Congress strength. Despite erosion in their ranks, this was an exercise in unity for the Opposition, which paid them good dividends later, though for a short while.

As in the past, so now it would not be possible to divorce the election of President from the current reality. Its two main elements are the numerical superiority of the Congress (I) in the electoral college and Mrs. Gandhi's suspicion that the Opposition would like someone who could create problems for her from Rashtrapati Bhavan.

#### Manner of Election

A few words about the manner of election, which under the Constitution, is intended to secure "uniformity among the States inter se as well as parity between the States as a whole and the Union". For this purpose, the value of the vote of an MLA is determined by dividing the population of the State by the number of the elected members of its Assembly, and further dividing the quotient by 1,000. The value of the vote of an MP is worked out by dividing the sum-total of the value of the votes of the MLAs divided by the number of the elected members of the two Houses.

According to this formula, the value of an MP's vote is 702, while that of the MLA's varies as follows: Andhra Pradesh (152), Assam (128), Bihar (177), Gujarat (147), Haryana (124), Himachal Pradesh (51), Jammu and Kashmir (83), Karnataka (136), Kerala (152), Madhya Pradesh (141), Maharashtra (187), Manipur (18), Meghalaya (17), Nagaland (nine), Orissa (149), Punjab (130), Rajasthan (140), Sikkim (seven), Tamil Nadu (176), Tripura (26), U.P. (208), and West Bengal (158).

Because of the clear line-up in the electoral college, the peculiar voting pattern will have the only effect of magnifying the Congress (I) lead in the event of a contest.

CSO: 4220/7474

## UTTAR PRADESH CHIEF MINISTER REALLOCATES PORTFOLIOS

New Delhi PATRIOT in English 10 Jun 82 p 4

[Text] LUCKNOW, June 9 (PTI)--Uttar Pradesh Chief Minister V P Singh has in a reallocation of portfolios of his ministerial colleagues divested the department of Home from the Minister of State Rajendra Tripathi and allocated the department of Irrigation to him.

An official press release issued here today said that other departments held by Mr Tripathi besides Home portfolio would continue to remain under his charge in the new arrangement.

The Chief Minister made the change as Mr Tripathi had been requesting for this for quite some time, the press release added.

Minister of State for Parliamentary Affairs Ram Rattan Singh would also henceforth hold the charge of Rural Development while Minister of State for PWD Ranjit Singh would look after the affairs of government Estates Department, the press release added.

### Procurement Price

At Meerut, Mr Singh today announced the increase in procurement price of wheat from Rs 132 per quintal to Rs 138 in the case of varieties damaged to the extent of eight per cent in the recent unseasonal rains and hailstorms, adds UNI.

He was addressing a public meeting here. The Chief Minister ordered suspension of the recovery of land revenue, co-operative loans and land development bank dues in the affected areas.

He said the Government would also convert all the short term loans into mid-term ones to provide relief to the farmers in the affected areas.

Today was the second anniversary of Mr Singh's tenure as Chief Minister. He spent the day in surprise-checks of the wheat procurement centres in Western Uttar Pradesh. He visited Muzaffarnagar and Saharanpur also.

The Chief Minister said that such "surprise checks" would be held often.

Suspended

Mr Singh suspended on the spot the entire staff at a procurement centre of the UP State Food Corporation in Jhinjhanana village of Muzaffarnagar district for charging Rs 2 to Rs 5 extra per bag for the procured wheat.

At another centre, run by the Regional Food Controller, the Chief Minister found that the staff had preferred the inferior quality wheat to the better quality available there. He ordered an on-the-spot inquiry into the matter.

The Chief Minister covered an area of about 500 km by helicopter. He was accompanied by Food Minister Basu Dev Singh, Minister of State for General Administration Zafar Ali Naqvi and Tourism Minister Vidya Bhushan.

CSO: 4220/7478

BUSINESS GROUP RELEASES STUDY ON EXPORT PROSPECTS

New Delhi PATRIOT in English 10 Jun 82 p 7

[Text] Federation of Indian Chambers of Commerce and Industry (FICCI) president G K Devarajulu has asked the Government to enact anti-dumping legislation to prevent cheap imports from recession-hit nations invading Indian industry in view of the recent import liberalisation.

In a study on "international economic trends--lessons for India" prepared by the FICCI and released by Mr Devarajulu, fear has been expressed that exporting countries, which were under the spell of recession, might take advantage of the recent liberalised import policy to dispose of their excessive stocks.

There have been complaints that many of the imports have been hurting our domestic industries precisely because these imports have been at prices which are even below the cost of production, the study adds.

It points out that India does not have anti-dumping law at present and suggests the Government to consider having such legislation.

The study predicts that the demand for Indian exports by USA and other developed countries might pick up on a small scale but the rate of growth might be low in case of East European countries in order to meet the balance of trade problems, this weakening India's export trade.

The study says in the OPEC countries, the later half of 1982 may witness a better balance of trade position for India. The oil glut which had taken place in 1981 and the first half of 1982 has disappeared and the OPEC, as an organisation, may once again be in a position to have its say in the price of oil.

On the whole, the revival of exports in 1982-83 may be only small unless there is an effort on the part of Indian Government, industry and the exporters to overcome the shortcomings which have reduced our competitiveness in the international markets. This would mean a dynamic infrastructure, modernisation of industries and improvement in quality of goods as long term measures and strengthening of the cash compensatory support or fiscal incentives on export earnings as immediate steps.

CSO: 4220/7478

G. K. REDDY TELLS EFFECTS OF FOREIGN EVENTS ON INDIA

Mauritius Elections

Madras THE HINDU in English 14 Jun 82 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, June 13. The shattering defeat of Sir Seewoosagur Ramgoolam's Labour Party in the Mauritian elections has come as a rude shock to India, although it was not unexpected in the sense that it was widely known that he was fighting a losing battle.

What has really surprised littoral countries like India is that the leader of the Mauritian Militant Movement (MMM), Mr. Paul Berenger, has romped home with a landslide victory ending Sir Seewoosagur's long rule since the island's independence.

(Mr. Berenger's party and its ally have won all the 62 contested seats in the elections on Friday).

This is perhaps the first time ever that a militant white man with a radical background has swept the polls in any country with the support of an overwhelmingly non-white population. He has succeeded in splitting the Indian and Creole communities, through a skilful combination of radicalism and nationalism, to inspire the confidence of the local population.

Architect of victory: Mr. Berenger's nominee for the Prime Ministership, Mr. Aneeroodha Jugnauth, who is of Indian origin, has been chosen to give the Indian community a feeling of continuity and effective voice in the administration. But the effective power in the new Government will be wielded by him in his capacity as the secretary-general of MMM and architect of its spectacular victory in these hard fought elections.

The Government of India had followed a policy of strict non-interference in these elections, so much so that the Prime Minister did not want even the Minister of Tourism to go to Mauritius to participate in the independence day celebrations. The joint commission meeting was also postponed, since it was felt that a visit by the External Affairs Minister might be misconstrued as indirectly lending support to Sir Seewoosagur's Government.

Those who are well acquainted in India with the politics of this volatile Indian Ocean island are relieved that MMM has been voted to power with big majority, so that it need not indulge in any excessive radicalism to justify its rule. The new Government is expected to move forward cautiously in implementing its electoral programme, without rocking the boat too hard and plunging Mauritius in deep turmoil through hasty nationalisation.

In the final stages of the campaign, there had been a change in Mr. Berenger's election rhetoric and he had significantly toned down some of his extravagant pressures to avoid becoming a prisoner of his own pledges. The general expectation is that, after the dust has settled, the new Government will pay greater attention to consolidation of its political base than creating serious problems for itself through reckless nationalisation.

The demand for dismantling Diego Garcia will bring him close to the rest of the Indian Ocean community without creating any serious political problems at home for his Government. It remains to be seen how fast, or how slowly, he will move in carrying out his other pledges to break with South Africa, terminate the security arrangements with Britain and follow a policy of even handedness in dealing with the U.S. and the Soviet Union.

Ramgoolam for President? But, as a starting point for the promised changes, Mr. Bereger and his colleagues propose to give up dominion status and make Mauritius a Republic within the Commonwealth while continuing to take an active interest in Afro-Asian affairs as a member of the non-aligned community and the Organisation of African States. In a well-calculated move to placate local Indian sentiment, they propose to make Sir Seewoosagur the first President of the Republic, if he is prepared to accept it, in recognition of his role during the island's struggle for independence.

#### King Khalid's Death

Madras THE HINDU in English 14 Jun 82 p 9

[Article by G. K. Reddy]

[Text] NEW DELHI, June 13. The death of King Khaled of Saudi Arabia today is seen as an end of an epoch in the history of Saudi Arabia, the starting point for a smooth transition from the days of absolute monarchy to a more modern-minded approach to the transformation of this oil-rich desert kingdom into a welfare state, subject to the imperatives of Islam.

The new King Fahd, who has been functioning virtually as Prime Minister in his capacity as Crown prince, is known to be a man of great dynamism, who has streamlined the power structure and introduced a system of collective leadership, giving all the leading Princes of the Saudi family, an effective voice in the administration.

The Prime Minister, Mrs. Indira Gandhi, returned from her recent visit to Saudi Arabia, greatly impressed by Fahd's modern outlook and sense of dedication to the welfare of his people. He has gathered around him a set of well-educated



cousins and promising technocrats to spearhead the development of Saudi Arabia with a judicious blend of modernity and tradition.

**Imaginative monarch:** A country like India will find it much easier to deal with Saudi Arabia hereafter with an imaginative monarch like King Fahd at the helm. One of his first tasks will be to make a refreshing break from the excessive orthodoxy of Islamic rule and usher in a new era of social dispensation to give the people at least a sense of identification with the country's governance.

It will be in India's own interest to cooperate fully with the new King in giving Saudi Arabia a new ethos and a new sense of direction in playing its rightful role in the regime. The one great ambition of King Fahd has been to transform his country into a bastion of political stability and orderly economic development in the Arab world by utilising its phenomenal oil wealth for the welfare of its people.

As Crown Prince, he accepted Mrs. Gandhi's invitation to visit India later this year. Now, as the new King, he will be able to invest his visit with much deeper significance, giving a greater dimension to Indo-Saudi relations.

**The real power:** In the field of foreign policy, the new King had initiated early, this year, as the real power behind the Saudi throne, the controversial eight-point plan for a permanent settlement in West Asia on the basis of an Israeli withdrawal from all occupied territories followed by an unconditional Arab recognition of it. Though the plan failed to make much impact because of Israeli intransigence, it has at least held out the hope of an ultimate acceptance of Israel by the neighbouring Arab states.

The new style of functioning evolved by Fahd during the last few years as Crown prince is to maintain close personal contacts with the heads of Government of all important countries through an elite group of well-educated Princes, carefully chosen to handle the complex tasks of politico-economic diplomacy with necessary competence. Each one of them, assigned to different countries, had to specialise in their politics, acquire enough knowledge of their economic compulsions and establish high-level personal contacts with the people in pivotal positions in their Governments.

**New type of diplomacy:** The way Prince Saud, the new King's first cousin and Foreign Minister, was able to establish contacts with the U.S. President, Mr. Ronald Reagan, the French President, Mr. Mitterrand, the British Prime Minister, Mrs. Margaret Thatcher, and the West German Chancellor, Mr. Schmidt, during the Paris summit and exert enough pressure through them to make Israel announce a ceasefire spoke eloquently of this new style of Saudi diplomacy. The new King has also built up a close relationship with the Arab radicals led by the PLO chief, Mr. Yasser Arafat, who wants Saudi Arabia to break away from its traditional mould and play a more dynamic role in the Arab world.

**Ties with Soviet Union:** The new King has also been quietly working for the establishment of diplomatic relations with the Soviet Union, without prejudice to Saudi Arabia's close links with the United States. As a devout Muslim, he remains a defender of the Islamic cause, which he believes, would be served better by building a mutually beneficial relationship with non-Islamic countries like India in the region.

## G. K. REDDY DISCUSSES PROBLEMS OF GOVERNORS

Madras THE HINDU in English 30 May 82 p 2

[Text]

**A**N unenviable and thankless job today is the Governorship of a State. The Tapase episode has revived the controversy over the role and relevance of a Governor in the present-day political situation. The office has been progressively down-graded to the point of becoming increasingly redundant, despite its regulatory powers and responsibilities under the Constitution.

What happened in Haryana has not come as a startling revelation that there is precious little a Governor can do to uphold the spirit of the Constitution, if those in authority are bent on violating it. But this unfortunate event at least has drawn attention to the damage that a pliable Governor can do, as Mr. Tapase has done, by acting in a thoughtless manner with indecent haste and unmindful of the consequences. The irresistible impression left by his ill-advised action is that he had misused his constitutional discretion either in anticipation or on receipt of instructions from Delhi.

It has become extremely difficult even for a high-minded Governor, who has the courage of his convictions and is not personally beholden to anybody for his appointment, to keep up a credible distinction between his overlapping functions as an agent of the President, a pro-consul of the Union Government and a constitutional head of his State.

After Independence, the office quite rightly was stripped of its trappings of power, but was left with all the pretences of propriety in ensuring the smooth functioning of the State Government in accordance with the provisions of the Constitution. The Governors who acted firmly, without fear or favour in accordance with their best judgment, invariably came to grief, while others who were prepared to subserve the political interests of those in power got away with their indiscretions.

**Undefined powers**

The framers of the Constitution at one stage had thought in terms of an instrument of instructions to enable Governors to function properly without political pressures. But they finally chose to leave the powers and responsibilities of Governors undefined except in very general terms, which unfortunately

were open to differing interpretations. It is in this grey zone of ambiguity that most violations take place in the absence of any accountability for such actions.

As a result, the office of Governor has become a major casualty of the declining standards of political conduct, since some of those in power have no qualms in compelling the incumbent to uphold their interests while exercising his constitutional discretion.

The Governorship of a State was initially intended to be an office of great prestige and only men of high integrity and eminence were to be considered for it. The senior politicians who were appointed Governors were supposed to give up party politics for good and function only as elder statesmen after their retirement.

Unfortunately the ruling parties have reduced governorships over the years to grace and favour appointments, pure and simple patronage posts for providing unwanted politicians with sinecures, if they could not be accommodated elsewhere. As political appointments, the governorships became quasi-party posts and an integral part of the ruling establishment.

The President, who is elected, cannot be removed except through impeachment by Parliament, an extreme step that cannot be taken by a ruling party even if it has the requisite majority in both the Houses, except in case of gross violation of the Constitution. A Governor who is appointed by the Centre in the name of the President for five years can be sacked any time by withdrawing the President's pleasure. But in the earlier years, the Governors were shown a lot of deference and rarely, if ever, made to resign before the expiry of their terms, although a few did step down either for personal reasons or in sheer disgust over the ineffectiveness of this ornamental office.

The real rot started setting in when the Centre itself began throwing all conventions to the winds and allowing some of the ambitious Governors to get back into active politics and aspire for ministerial positions.

The strategy of transfers was used later

to shift the unwanted Governors from bigger to smaller States and make them feel that it would be better to quit with good grace rather than put up with this humiliation. But there were some who meekly submitted to this embarrassment rather than give up the glitter and glamour of Raj Bhavans.

The displeasure of the President was invoked for the first time only last year to dismiss the then Governors of Tamil Nadu and Rajasthan. The Centre is able to use the threat of dismissal effectively to make the Governors comply with its wishes in exercising their discretionary powers, so long as they are not prepared to resign in protest.

#### **Party functionaries**

But then it is not just the Congress in its different variations that has been treating Governors as no more than glorified party functionaries or beneficiaries of its patronage. The Janata party during its brief spell behaved no better in compelling them to comply with its extraordinary and totally unconstitutional decision to dismiss Congress Governments in eight or nine States on the specious theory that they had forfeited the confidence of the people who had voted the party out at the Centre. Congress (I) was no less ham-handed in doing exactly the same thing after the 1980 elections.

After the present Constitution came into effect in 1950, the Centre has imposed President's rule in States on 67 occasions. But the move for Central intervention was initiated by the respective Governors in not more than 20 cases at the most on the basis of their own satisfaction.

In all other cases the Governors were advised and even pressured to recommend this action on purely extraneous political considerations. There were a few occasions when even the reports of the Governors proposing President's rule were drafted in Delhi and transmitted to the State capitals concerned for obtaining their signatures on the dotted lines.

There could be no worse violation of both the letter and spirit of the Constitution than making the office of Governor such a mockery in practice. But the near paralysis of this institution is only a reflection of the progressive decline of the country's political system in several spheres.

It was during the halcyon days of Nehru himself that the then Governor of the old Madras State was asked to invite C. Rajagopalachari to form a government after the defeat of the Congress in the first general election. The great Rajaji had by then served first as Governor of Bengal and then as Governor-General, before rejoining the Union Cabinet as Home Minister and then quitting when he could not get along with Nehru in the new political atmosphere.

The same sort of thing was done, perhaps in a worse form, when Mr. Morarji Desai, who was defeated during the second general election was permitted to head the Government of the old Bombay State. A further slide

down from all standards of constitutional propriety occurred in West Bengal after the third general election when B. C. Roy was allowed to form an eleven-member Cabinet with as many as six defeated Ministers.

The subsequent combination of complaisant Governors and nominated Chief Ministers had a deadening impact on the whole concept of Centre-State relations. The all-powerful Centre started interfering with the functioning of the Congress-run State Governments to such an extent that it became both politically and psychologically difficult for those in positions of power in Delhi to evolve a correct working relationship with the few non-Congress Governments functioning outside the Congress mainstream. The Centre's relationship was no less difficult with the two southern States of Andhra and Karnataka outside the Janata fold during the Morarji-Charan Singh interregnum.

It is, therefore, not at all surprising that the poor Mr. Tapase, who already has had a taste of Mrs. Gandhi's displeasure, when he was relegated from Uttar Pradesh to Haryana, decided to play safe even at the risk of exposing himself to utter ridicule.

The Governor of neighbouring Himachal Pradesh, Mr. A. N. Banerjee, acted with greater sophistication being a retired civil servant, although he was no less beholden to the Prime Minister for his present appointment. The point is that his decision could not have been substantially different from that of Mr. Tapase, if BJP had contested the Congress (I) claim to form a Government.

#### **Symbol of decadence**

The institution of Governor, which is a linchpin of State autonomy in the country's federal set up, has to be strengthened to make Indian democracy work better in different political situations. The country is faced with the two extremes of a powerful Centre riding roughshod over the Governors to make them function as the emissaries of the ruling party in the States, and some of the Governors considering themselves as active Congressmen in a different garb ready to do all that was possible to protect the party's interests.

The Governors should be discouraged from dabbling in party politics, interfering in the selection of candidates, influencing electoral alliances and even associating themselves with fund collections for the ruling party during the elections.

The tragedy of Haryana is only an ugly symptom of a deeper malaise afflicting the country's political systems. The Bansi Lals, Bhajan Lals and Devi Lals of this faction-ridden State are not just individuals but prototypes of a new generation of political operators with no fixed loyalties or principles. It is sad that the country's top politicians including the Prime Minister should allow themselves to be taken for a ride by this new breed of politicians that has become a symbol of decadence.

As an essential first step towards the removal of such distortions that have been allowed to pollute the Indian political system, the Centre should make a conscious effort to improve the quality of Governors by appointing more competent persons and encouraging them to function without fear or favour to the best of their ability and honest judgment. The mere condemnation of Mr. Tapase will not serve any purpose, since he is no freak phenomenon.

The clean up process must begin at the top and then percolate down the line to have the desired impact. It must commence with an honest heart-searching to identify the causes of failure that have led to the progressive abandonment of all principles and reduction of party politics into a mug's game.

CSO: 4220/7466

CPI URGES GOVERNMENT TO PROTEST REAGAN ACTION

New Delhi PATRIOT in English 5 Jun 82 p 7

[Text] The CPI, has urged the Government of India to convey to the Reagan Administration its unequivocal protest against the US President's decision to openly finance political parties, newspapers and trade union organisations in Third World countries in the form of 'political aid' to 'democratic forces' in those States.

In a statement on Friday, CPI National Council Secretary N K Krishnan denounced this US decision as a "shameless interference in the internal affairs of the developing countries" and felt that a mass campaign against it had become the urgent need of the hour.

Calling upon all patriotic forces to come out in condemnation of this plan, he said: "While the imperialist threat against India's national sovereignty and integrity has intensified in the recent period, still another political dimension is now sought to be added to it by Reagan's latest move."

Mr Krishnan pointed out that such aid had been pouring into developing states all along through CIA and allied outfits, and it was well known that the US Government was conducting destabilising operations in these countries using both political and military means helping to overthrow progressive regimes in order to install pliable governments. He referred to such examples as Guatemala, Chile, Portugal, El Salvador, Nicaragua, Iran, Afghanistan, Pakistan and added: "But despite all this, national liberation movements have surged forward to new victories and the Pentagon strategy has received setback after setback."

Nevertheless, the danger this time was that "in desperate frenzied attempt to roll back history, President Reagan proposes to put an official seal on the policy of neo-colonialist intervention and aggression."

CSO: 4220/7470

G. K. REDDY WRITES ON PLAN TO SET UP SECRET SERVICE

Madras THE HINDU in English 6 Jun 82 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, June 5--The Government is thinking of setting up a Central Secret Service on the American model to protect the President and the Prime Minister, besides providing security for visiting foreign dignitaries and other important persons.

At present a senior Joint Director of the Intelligence Bureau looks after the security arrangements in the national capital with the help of specially trained personnel of the Delhi police. But he has to rely largely on the local police during the visits of the President and the Prime Minister to the States.

A special security district has been created to intensify the vigilance in and around the area where the President, the Prime Minister and other senior personalities live and work in New Delhi. The number of armed police and plainclothes gunmen guarding the top leaders, especially the Prime Minister, has been trebled in recent times.

Security cadre: But the mere increase in numbers has not led to the creation of a near fool-proof security system. So the accent now is on establishing a new security cadre manned by hand-picked officers and men, either recruited directly or seconded from the other Central police services.

One of the big hazards of guarding the Prime Minister in a country like India is frequent exposure to large and often unruly crowds which is an integral part of Indian political life. Nowhere else in the world does a head of Government visit so many places in the country and participate in so many public functions.

Those entrusted with Mrs. Gandhi's security tend to overreach themselves in trying to be thorough to the point of rendering her public exposure quite counter-productive at times. But they cannot be blamed for not taking any chances in these days of worldwide violence, since any security screen can be breached by determined men prepared to risk their own lives.

Compact service: It is for this reason that the top security advisers of the Government have been veering round to the view that it is better to have a compact and well-trained secret service manned by 300 or 400 men to do this job with the necessary professional skill than keep adding haphazardly to the existing police personnel engaged in this work in New Delhi.

But before setting up the proposed secret service, the Government wants to study how the security agencies function in other societies with similar compulsions for populism.

The big danger in dealing with a sensitive problem like the security of the country's top leaders is that, if those in authority are not firm enough in keeping the agencies entrusted with this task under strict control and constant supervision, they can become a major source of embarrassment by exceeding their authority and arrogating to themselves a much wider role than initially envisaged by the Government.

This aspect also has been receiving due consideration at the higher levels to make doubly certain that security does not become an employment-oriented industry out of all proportion to the required degree of protection.

As a result of growing social discontent in the wake of the population explosion, there has been a sharp increase in crime rate in recent years in all urban centres. It is much more difficult to police effectively a hinterland capital region like Delhi surrounded by so many States.

But violent incidents of a political nature involving attacks on important individuals are fortunately few and far between with the result that there is a big outcry against alleged police laxity every time something untoward happens in Delhi.

And apart from the worldwide climate of violence, which poses serious security problems for all open societies that cannot be totally insulated, a developing country like India has to cope with the explosive interactions of unkept promises and rising expectations.

CSO: 4220/7472

SHEIKH ABDULLAH IMPATIENT OVER RESETTLEMENT BILL

Madras THE HINDU in English 9 Jun 82 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, June 8--The Centre has been placed in a rather difficult position by Sheikh Abudllah's threat to go in for dissolution of the Jammu and Kashmir Assembly and fight the elections on the question of the controversial Resettlement Bill permitting Kashmiri Muslims who migrated to Pakistan to return to the State.

The Sheikh is incensed that the Governor, Mr. B. K. Nehru, has not only been withholding consent to the Bill but also delaying its return to the Assembly for reconsideration.

If the consent is refused and the Bill returned, Sheikh Abdullah has already made known his intention to get the Bill passed by the Assembly a second time, making it binding on the part of the Governor to give his assent under the Jammu and Kashmir Constitution.

The way open to Governor: The only course open to the Governor in such a situation is to dismiss the Government and place the State under his rule with the approval of the Centre, which can be done for a maximum of six months under its Constitution. The only occasion when the Governor invoked these powers was in 1977 for a short duration.

The Centre maintains that under Article 356 of the Indian Constitution, it is open to the President to bring any State, including Jammu and Kashmir, under his rule. If this has not been done in the past, it was because there was a parallel provision in the State Constitution empowering the Governor to take similar action with the approval of the Centre.

The Sheikh knows that there will have to be fresh elections sooner or later, whether through an early dissolution of the Assembly on his recommendation or as a natural follow-up of the imposition of President's rule. The poll cannot be delayed beyond the middle of 1983 in any case. As Jammu and Kashmir is the only State that has not chosen to revert to the five-year rule after the switchover to a six-year term was rescinded by the Janata Government, the Assembly can be technically kept alive till next year.



Legality of Bill can be tested by reference to court: Sheikh Abdullah claims that the legislation had been enacted under the powers delegated to the State in Nehru's time to deal with the resettlement problem. The right course open to the Governor is either to give his assent or return the Bill with his objections. The legality of the legislation, whether the Assembly is competent to enact it, could then be tested through a reference to the Supreme Court.

He maintains that the Governor is violating the State Constitution by withholding consent and not returning the Bill at the behest of the Centre. In this situation, the only course open to him is to ask for dissolution of the Assembly and go in for fresh elections to let the people give their verdict on it.

All these aspects are being carefully considered by the Centre in consultation with the Governor, before deciding how to deal with the Sheikh who is apparently bent on a showdown.

CSO: 4220/7477

## EDUCATION NEEDS OF TRIBALS, SCHEDULED CASTES STUDIED

New Delhi PATRIOT in English 8 Jun 82 p 8

[Text] It would take a long time, even more than 50 years in some States, to bring the Scheduled Castes and Scheduled Tribes on a par with other communities in various stages of education according to a study by the Planning Commission, reports UNI.

The study carried out in the perspective division of the commission indicates state-wise the period needed to remove the disparities these communities suffer at the primary, middle, higher secondary and general higher stages of education.

At the primary stage Andhra Pradesh, Manipur, Meghalaya, Orissa, Tamilnadu, Andhra Pradesh, Dadra and Nagar Haveli and Delhi would be able to bring the Scheduled Castes on a par with the rest of the population in less than 10 years.

Haryana, Himachal Pradesh, Jammu and Kashmir, Kerala and Punjab would need 10 to 20 years to achieve this.

While Madhya Pradesh, Rajasthan and Sikkim would require 20 to 50 years, the remaining states would need more than 50 years.

In the case of Scheduled Tribes, Karnataka, Manipur Meghalaya and Arunachal Pradesh would need less than 10 years to bring them at par with the rest of the population.

The time needed by other states: Gujarat, Himachal Pradesh, Kerala and Uttar Pradesh--10 to 20 years; Orissa, Tripura, Dadra and Nagar Haveli, Goa, Daman and Dlu and Mizoram--20 to 50 years; the remaining states--more than 50 years.

The analysis of middle stage education for Scheduled Castes indicates that Kerala would need less than 10 years to bring them to the level of the rest of the population.

The time needed by Gujarat, Jammu and Kashmir, Manipur, Meghalaya and Delhi to be at par with rest of the population is 10 to 20 years; Haryana Orissa, Punjab, Sikkim, Tripura, Uttar Pradesh, Arunachal Pradesh and Dadra and Nagar Haveli--20 to 50 years and the remaining states--more than 50 years

For raising the level of the Scheduled Tribes to that of the other communities in the middle stage of education Meghalaya, Arunachal Pradesh and Lakshadweep would need less than 10 years; Karnataka, Manipur and Uttar Pradesh--10 to 20 years; Himachal Pradesh, Kerala, Tripura, Dadra and Nagar Haveli and Mizoram--20 to 50 years and the remaining states more than 50 years.

Manipur needs less than 10 years to bring the Scheduled Castes on par with the rest of population in higher secondary education. While Gujarat, Jammu and Kashmir, Meghalaya, Sikkim and Delhi would take 10 to 20 years, Andhra Pradesh, Haryana, Orissa, Punjab, Uttar Pradesh and Dadra and Nagar Haveli would need 20 to 50 years and the remaining states more than 50 years.

In the case of Scheduled Tribes Karnataka Meghalaya and Arunachal Pradesh would need less than 10 years; Kerala and Uttar Pradesh--10 to 20 years Assam, Bihar Gujarat, Himachal Pradesh, Orissa, Dadra and Nagar Haveli and Mizoram--20 to 50 years and the others more than 50 years.

CSO: 4220/7475

VIEWS ON JOINT INDO-BANGLADESH ECONOMIC GROUP NOTED

Bombay THE TIMES OF INDIA in English 11 Jun 82 p 9

[Article by Kirit Bhaumik]

[Text] NEW DELHI, June 10--The government of India will communicate to Bangladesh towards the end of this month its views as to what should be the structure of the joint economic commission which was decided to be set up during the recent visit of the external affairs minister to Dacca.

New Delhi hopes that a workable institutional framework for promoting interactions between the two neighbouring countries in different spheres will emerge by the end of the year, despite its frustrating experience in the past.

The hope is presumably based on the fact that the decision has nothing to do with the political attitudes of the new regime in Dacca whose character, in any case, is not yet clear. It has been dictated by emerging economic realities.

Stringent conditions which are now being attached by Western donors in providing economic assistance to the third world is perhaps the dominant factor which is forcing governments of these countries to look for other avenues of economic sustenance. A parallel can be found in Sri Lanka now showing increased interest in Indian economic assistance, although the two countries have basic differences on various political issues.

Both Sri Lanka and Bangladesh are recipients of massive IMF loans and both are having to grapple with the conditionalities which are now sought to be strictly enforced. Bangladesh's situation is somewhat more difficult because of its greater dependence on foreign aid. The situation looks unreal: 60 per cent of its investments, 83 per cent of its of its development budget and 63 per cent of its commodity imports are supported by Western aid.

Unreal Situation

More than in Bangladesh, there is a growing realisation among the donor countries that this unreal situation cannot be sustained for long and a basis has to be found for greater economic self-reliance for these countries. There is now emphasis on greater regional economic co-operation.

The realities of the situation were brought out forcefully when Bangladesh was in dire need of foodgrains last year. On the advice of the world food organisation, Dacca had asked India to divert a food ship to its ports since that was the only way of getting quick deliveries of the required foodgrains.

Under similar advice, the new government in Dacca sought and obtained a loan of one lakh tonnes of wheat from India only a few days ago.

Under the fear of shrinking aid from the West, Bangladesh is having to look for a viable basis for sustaining itself economically. The slogan of self-reliance has gained respectability in Dacca. Some economic co-operation proposals with India, which were long forgotten, are being revived.

One such proposal was that Bangladesh should supply its surplus power in the eastern region to the north-eastern Indian states and thereby create a basis for obtaining goods and services from this country in exchange.

The joint economic commission might provide a forum for sorting out such problems. As far as New Delhi is concerned, it wants to make the commission a meaningful agency for co-operation. In view of the complexity of the relationship between the two countries, India is likely to propose the setting up of a number of sub-commissions under the umbrella of the joint commission to deal with different aspects of bilateral relations like trade, scientific and technological co-operation, communications and transport and so on.

CSO: 4220/7480

EXPECTATIONS FROM GANDHI WASHINGTON VISIT TOLD

Madras THE HINDU in English 13 Jun 82 p 2

[Article by G. K. Reddy]

[Text] AMIDST her preoccupation with the politics of the presidential election, the Prime Minister, Mrs. Indira Gandhi, has already set in motion the preparatory work for her visits to the United States and the Soviet Union. The U.S. trip is receiving prior attention because it will be taking place first, before she goes to Moscow a few weeks later to carry forward the process of insulating India from the growing superpower rivalries in the region.

A conscious effort is being made to maintain a delicate balance between India's enlightened self-interest and the potential consequences of the U.S.-Soviet antagonisms on its own geopolitical role in an area that is assuming great strategic importance.

The primary emphasis is no longer on passing value judgments on the relative merits and demerits of American and Soviet actions, but on weighing carefully the pros and cons of the positive and negative aspects of their power pursuits in the region.

The main thrust of India's foreign policy is not on moralising to other nations, but preventing the creation of conditions that are adverse to its national interests. The art of diplomacy calls for an unfailing capacity to exploit opportunities that are open to advance the country's cause rather than attempt to operate through a master plan aimed at achieving the same results. It also requires an ability to draw the right lessons from the mistakes made by other nations, besides benefiting from their failures. A country cannot exude a spectacle of greatness, or present an image of stability, if its leadership cannot grasp and absorb these essential ingredients of success in promoting its interests.

Complex Country

In dealing with a global power like the U.S. with all its irrationalities and inflamed emotions, one should be able to distinguish a palpable threat posed by its ill-conceived policies from the intrinsic inconsistencies of some of its actions. It is too complex a country to be seen only in black

and white terms without the essential half-tones that are a source of its strength as well as weakness in responding to different situations. The U.S. has yet to learn the hard way that history cannot be split into tidy four-year segments to suit the proclivities and predilections of changing administrations.

It is no use harping on the differing perceptions of India and the U.S. over various issues to explain away their inability or incompatibility to work together even in pursuit of their shared ideals and objectives. The two countries should be able to distinguish between the absence of an identity of interest and a clash of purpose in charting out the areas in which they could work together in mutual interest, while continuing to disagree on other issues involving conflicts of opinion.

Once again the U.S. is going through the agonising experience of realising the limits of its power and the consequent diminution of its influence, which is a good time for India to make a renewed attempt to establish a better understanding with it.

The Prime Minister is going to the U.S. at a politically and psychologically opportune moment, when President Reagan and his advisers have started shedding some of their grand illusions that they can reassert American authority by simply talking tough to countries like India that are not prepared to line up with other supplicants or client States to qualify for their benevolence.

The visit will also enable Mrs. Gandhi to dispel the many misconceptions of those in pivotal positions in Washington of India's own role as a stabilising factor in South Asia and its intrinsic importance as the largest and strongest country in the region. It is for this reason that a lot of painstaking preparatory work is being put in to ensure the success of this visit.

Unfortunately, almost all the visits of Indian Prime Ministers to the U.S. failed to make much impact, partly because the Americans could not comprehend its sensitivities or understand its aspirations. But India also contributed to this lamentable failure by misjudging the American mood or ignoring its legitimate concerns at times.

The communication gap that developed over the years between Delhi and Washington cast the two countries more often in adversary roles rather than bring them closer in defence of their common commitments to freedom. The running sores of past irritations impose a heavy responsibility on Mrs. Gandhi to make a refreshing start in opening a happier chapter in Indo-American relations.

A man who has been working silently behind the scenes to make this a promising visit is the U.S. Ambassador, Mr. Harry Barnes, a dedicated career diplomat who has brought in a high degree of professional competence to his challenging assignment in Delhi. He has been working in harmony with Mrs. Gandhi's top advisers like Mr. G. Parthasarathy and Dr. P. C. Alexander in restoring the missing element of mutual confidence in striving for better relations. The previous and present Foreign Secretaries, Mr. R. D. Sathe and Mr. M. K. Rasgotra, also played their part in helping to shed some of the hang-overs of the past.

## Shared Desire

But the basic framework for giving a new orientation of India's foreign policy has been evolved at the higher political level by Mrs. Gandhi herself in consultation with her senior Cabinet colleagues like Mr. P. V. Narasimha Rao. One cannot jump to the conclusion that, as a result of this shared desire for better relations, all the old animosities have been dispelled and that India is no longer apprehensive of American attitudes.

Nobody in the government is foolhardy enough to imagine that the Reagan administration has suddenly become an admirer of India's tryst with destiny, as it were, and started developing an abiding faith in its stabilising influence in the region. It is still a rather dicey state of relationship and the two countries could easily lurch back at the slightest provocation.

However, what really matters is that neither side is pillorying the other as one of the prime villains contributing to the present instability in South Asia, either by soft-peddalling the Soviet intervention in Afghanistan or over-reacting to it.

The policy-makers in Delhi remain fearful of the CIA's destabilising role in the Third World, but they are no longer making a bogey of it to explain away their own political misconceptions. It has begun to dawn on both countries that as free societies they should develop a thicker skin and learn to take criticism in their stride, without resorting to righteous indignation to cover up their own lapses.

The irony of it all is that India and the U.S. do not miss any opportunity to misunderstand and deepen their differences. They have remained sharply divided during the last three decades by their own shared values, despite their common commitment to democracy and freedom.

The U.S. has tended to annoy its friends as much as its enemies by its arrogance of power and affluence, expecting one and all to comply with its policies and conform with its perceptions. The revival of the cold war has made Washington quite intolerant of even well-meaning criticism, since dissent is mistaken for defiance.

## American Fixations

It is impossible to reverse this state of mind even with the best of intentions, without going through an agonising process of self-criticism to pinpoint both the political and psychological causes of American fixations. But there are signs that the country is just about to embark on such a process at least to take a critical look at its own emotional inadequacies, which make successive governments react to developments in an unpredictable manner regardless of consequences. The Indo-American relationship is replete with examples of avoidable frictions provoked by attitudes that have no relevance to the realities of their disagreements.



A fact often overlooked in airing Indo-American differences is that India essentially is a pro-American country, but its criticism of U.S. policies is mistaken for anti-Americanism. It is not realised by Washington that India has been compelled to turn to the Soviet Union for both economic assistance and defence equipment in the face of U.S. refusal to meet its requirements or impose unacceptable conditions. The U.S. has to thank itself if this country is obliged to go in for Soviet military equipment when it was making a conscious attempt to diversify its sources by buying aircraft from Britain and France.

#### Major Irritant

The U.S. policy of arming Pakistan is the single major irritant in Indo-American relations. The Tarapur question can be settled by calling off the agreement without leaving a trail of bitterness so long as it is not done as an inevitable consequence of the strained relationship created by the arms supplies to Pakistan. The Prime Minister's visit can help focus attention on this discordant factor, but it is essentially a matter for President Reagan and his advisers to take a fresh look at the subcontinental situation.

No one in India in his senses expects the U.S. to dismantle Diego Garcia and withdrawn its naval power from the Indian Ocean, abandon its friends in the Gulf region or forsake its virtual alliance with Pakistan to please India or placate the Soviet Union.

But India which has no basic conflicts with the U.S. has a right to expect it at least to make a periodical reappraisal of its policies which have created difficulties in the region. As a country, with all its faults, the U.S. has infinitely more to its credit than discredit and it need not shirk admitting mistakes or conceding the superiority of informed opinion.

CSO: 4220/7487

REPORT ON GANDHI MESSAGE TO UN DISARMAMENT SESSION

Bombay THE TIMES OF INDIA in English 12 Jun 82 p 1

[Text] UNITED NATIONS, June 11 (PTI)--INDIA today proposed a five-point concrete programme of action for disarmament which calls for a freeze on nuclear weapons, immediate suspension of their tests and a binding convention on the non-use of such weapons.

The prime minister, Mrs. Indira Gandhi, told the UN second special session on disarmament in a message that all nuclear weapon powers and their allies must help the world back from the precipice of a nuclear war.

Mrs. Gandhi's message which contained the five-point programme, was delivered by the external affairs minister, Mr. P. V. Narasimha Rao. It urged the big powers to start negotiations with a determination to reach agreement on disarmament.

Stating that her voice was "raised in the cause of peace," Mrs. Gandhi noted that never before has humankind as a whole faced the possibility of its destruction by the weapons that some states claimed to need for their security.

The prime minister is likely to go to New York during her visit to the United States towards the end of July, but the disarmament session would be over by that time. Earlier, it was envisaged that she might address the session.

Mrs. Gandhi suggested that disarmament negotiations must again revert to the task of achieving a treaty on general and complete disarmament, within an agreed timeframe, as was discussed between the United States and the Soviet Union in the agreed principles and draft treaties of the early sixties.

The United Nations and its specialised agencies should take the lead in educating the public on the dangers of nuclear war, on the harmful effects of the arms race on the world economy as well as the positive aspects of disarmament and its link with development, she said in her "programme of action."

Mrs. Gandhi said that the conference "might also consider issuing a call to devise legally binding restrictions on various types of scientific and technological research for purposes that are inconsistent with humanitarian laws and principles"

The U.N. secretary-general could undertake an independent expert study to this end, she suggested.

#### Call for Negotiations

Mrs. Gandhi urged the big powers to start negotiations with determination to reach agreement.

"The prospects of an early accord may seem discouraging from the particular point of view of one side or the other. But the path to peace and security cannot and does not lie through an arms race or theories of deterrence", she said.

The prime minister expressed the view that intricate calculations of security and insecurity "merely generate irrational fear and suspicion in policy-makers and in the public at large."

"On behalf of the growing world community which is calling for peace," Mrs. Gandhi appealed to leaders of all nuclear weapon powers and their allies to help pull the "world back from the precipice."

UNI adds: The external affairs minister, Mr. P. V. Narasimha Rao, today voiced India's conviction that the idea of nuclear free zones was unrealistic and called for immediate suspension of all nuclear tests.

Addressing the United Nations second special session on disarmament, Mr. Rao said nuclear free zones had no relevance when several countries were clandestinely developing nuclear capability.

CSO: 4220/7482

INDIA

# MANEKA GANDHI ADDRESSES LARGE RALLY IN PATNA

Calcutta THE STATESMAN in English 12 Jun 82 p 16

[Text] PATNA, June 11--The pro-Maneka show here got off to a dull start today with only about 500 people welcoming the widow of the late Sanjay Gandhi at the airport. The slogans shouted by volunteers of the Sanjay Vichar Manch include: "Maneke Gandhi ayee hai, nai roshni lai pai". (Maneka has brought a wave of new light along with her), and "The leaders of the nation should be like Maneka Gandhi".

Mrs Maneka Gandhi drove to Jayaprakash Narayana's Kadamkuan straight from the airport. She visited all the rooms in the house and posed for a photograph before a portrait of J.P. From there she went to the Takht Sriharimandir, birth place of Guru Gobind Singh. Next she stopped at Martyr's Memorial on the eastern gate of the secretariat complex to pay tribute.

Mrs. Maneka Gandhi received greetings with folded hands and an ever-present smile.

The ruling party leaders, including the Chief Minister, Mr Jagannath Mishra, Mr Gyan Ranjan, MLA, and Mr Chandan Bagchi, president of the Bihar Youth Congress (I), stayed indoors. But they were all active behind the scenes which is why the Sikh community here, which had originally planned to give a big welcome to the widow of the late Sanjay Gandhi, did not come out to support her.

The public meeting addressed by Mrs Maneka Gandhi at Daltanganj Maidan was, however, big. In her speech Mrs Maneka Gandhi said that she was not raising an army against anybody. "But I would certainly caution the people against power-hungry politicians", she said.

She said that she was visiting different places in the country to reunite the pro-Sanjay forces to work for the progress of the country. "I have been driven out of my house, my telephone is being tapped and the administration is bent upon harassing me but all this would fail to put me out of my path", she said. The five-point programme of her husband must be implemented in the interests of the nation, she said.

Mr Sudhir Kumar Mishra, secretary of the Bihar Pradesh Congress committee and nephew of the Chief Minister defected to the Sanjay Vichar Manch. He announced his decision to join hands with Mrs Maneka Gandhi and Mr Akbar Ahmad at the public meeting.

## GANDHI SPEAKS AT RELIGIOUS CEREMONY

New Delhi PATRIOT in English 5 Jun 82 p 10

[Text] Prime Minister Indira Gandhi on Friday stressed that it was not her Government's policy to either restrict or give a fillip to any particular religion in the country.

Launching the Jamboo Dweep Gyan Jyoti at a ceremony in the Capital, Mrs Gandhi noted that though equal respect was given to all religions in the country, some persons were trying to spread tension among communities and weakening the country.

The Prime Minister urged the people not to take notice of the rumours which these handful of people were circulating. She asked the people to follow the path of non-violence, adding that all religions aimed at giving man the strength to face his hardships

It was the government's desire to fulfil the needs of the people to the maximum extent possible, she said. While efforts to raise the standard of living must be made, it was necessary that along with economic progress India's cultural outlook must also be improved, observed the Prime Minister.

The Prime Minister said Jainism preached high ideals and hoped the Jyoti, which will be taken around the country, would help develop a religious feeling and promote national integration.

A model of the Jyoti was presented to the Prime Minister by Railway Minister P C Sethi.

Immediately after the launching, the Jyoti was taken in a procession through Chandni Chowk, Khari Baoli and other localities to the Digambar Jain Mandir in Karol Bagh.

CSO: 4220/7470

ANALYST ON GANDHI PROBLEMS IN GOVERNING

Madras THE HINDU in English 6 Jun 82 p 18

[Article by G. K. Reddy]

[Text] In the merry-go-round of Indian politics, a painful prologue to a distressing event becomes in no time a balmy epilogue to an unhappy episode. It is not customary in India to carry on a controversy to the bitter end, since there is no compulsion of any kind to fight for a cause to its logical conclusion. It is this fatalistic mentality that enables the dissolute to get away with the minimum of disgrace, to lie low for some time and stage a return to public life.

The gentle art of compromise, which is an essential ingredient of coexistence, is mistaken often for an instinctive readiness to put up meekly even with an infuriating affront or an inexcusable infraction, if only to avoid further embarrassment or humiliation.

In the absence of a proper tradition of public outrage over political misconduct or personal betrayal of a principle, a politician with a flexible conscience sees nothing immoral in trading one's loyalty for a consideration. The synthetic fury generated by such misdeeds is overshadowed by a cynical acceptance of defections as a fact of life.

Extinct Volcanoes

So the kaleidoscopic drama goes on remorselessly with the tragic spectacle of a great polity in decline, if not disintegration. A relieving feature of this psychic down-turn, however, is that no lasting scars are left other than a few shattered reputations. Few could have vouched that a highly ambitious and resourceful politician like Mr. Antulay would be reduced in a matter of months to a mere footnote to history, but then many mightier men had also sunk into oblivion without facing their full share of retribution.

The old war horses of the Janata era, who were suddenly catapulted into power but squandered away their massive mandate through factional fights and personal squabbles, have become extinct volcanoes with nothing much left to do other than bemoaning the cruel fate that has befallen them. It is only Mrs. Gandhi who continues to maintain her supremacy, despite her diminished power and some degree of diminution.

After cracking the whip and threatening stern disciplinary action, Mrs. Gandhi also had to pocket her pride and allow a Congress (I) Government to be formed in Haryana with an unwanted Chief Minister, whom she is known to detest strongly as an odious character, all because he had a dozen party rebels in his pocket to give him a bare margin.

No less astonishing was the disingenuous apologia put forward by one of the general secretaries of the party that there was no harm in taking back the rebels since the people had voted for them in full awareness that they would be returning to Congress (I) after the elections. What has happened in Haryana would be quickly forgotten, since public memory is proverbially short and, what is worse, the very fact of success generates its own standards of morality for justifying such indefensible actions.

#### Dramatic Steps

But the politicians in power, much more than those in the Opposition, have to face all the time the hazards of misjudging the mood of the people and lamentably failing them. The Prime Minister has certainly been shaken by the recent election results, although the ruling party continues to put a gloss on them. She has already started thinking of some dramatic steps, like another Kamarajplan, to enliven the political atmosphere, recapture the imagination of the people and create a new climate of expectation.

As she has already reached the half-way point of her present term, she is apparently feeling the compulsive need for shedding the deadwood and easing out some of the controversial personalities who have become a liability to her.

It is too early to foresee what shape the proposed shake up might take in the present-day circumstances when party discipline is poor and fear of Mrs. Gandhi's displeasure is partly gone. Unfortunately there is not a single senior colleague, whether in the party hierarchy or in the Government, who is somebody in his own right.

The few that are close to Mrs. Gandhi derive their strength from her rather than lend any weight to her personality or politics, which is one of the great weaknesses of the present dispensation. The paucity of talent in the party has made it difficult for her to go in for any far-reaching changes other than dropping a few who have failed to come up to her expectations.

#### Absence of Men of Stature

It is not surprising, therefore, that she has been leaning lately more and more on her son, Rajiv, for advice on various matters and he, in turn, has become increasingly dependent on his own Camelot, the small group of confidants operating in his name. The result is that with the best of intentions he cannot escape the criticism, even if it is totally unjustified, that his advisers are functioning as an extra constitutional authority interfering in the affairs of the party or the Government.

It is easy to dismiss such criticism as baseless or motivated and basically intended to denigrate him. But in his own interest he has to take steps to dispel it, since allegations of this kind tend to stick in the absence of conclusive evidence to the contrary, as it happened before in similar situations.

But the more fundamental dilemma facing Mrs. Gandhi is where to find men of competence and stature for high positions, who can command respect and confidence. It is sad to see that the Prime Minister of the country cannot find an eminent party colleague or public figure who can fill the office of President with dignity and decorum, without being dubbed as a non-entity or yesman. The same sort of predicament confronts her every time an important post has to be filled, whether it is a Governor, Chief Minister, Union Minister, Chief Election Commissioner, a senior Ambassador or a Judge.

#### Use of Talent

The habit of placing undue emphasis on personal loyalty, to the point of looking minutely into the antecedents of each aspirant to ascertain how one behaved during the three years that Mrs. Gandhi was out of office, has drastically narrowed down her choice. Such subjective considerations prevail to some extent in all political systems, since those chosen for key positions have to be personally acceptable to the head of Government. But a credible distinction has to be maintained between ability and acceptability for making better use of the available talent.

It cannot be argued with any measure of conviction that in a nation of nearly 700 million people there are not even half a dozen persons eminently qualified to fill the office of President with distinction. The Prime Minister has, no doubt, the right to choose a President with whom one can work in harmony, but his advice will be worthless if the accent is on acquiescence with everything that is done by the Government. The same difficulty will arise if those chosen for other top positions are expected to function as yesmen.

The real strength of the Prime Minister will lie in surrounding herself with competent colleagues and reactivating the various institutions of the State to derive the benefits of the best possible advice. It is impossible to curb corruption and check other malpractices that have crept into the political system, if those at the helm of affairs are not sure of themselves.

The higher direction of Government calls for a proper devolution of authority with a well conceived chain of command for carrying out the decisions. A country of the size of India cannot be run in a personalised manner with a small coterie of confidants even with the best of intentions. It can be governed effectively by giving the rank and file a fuller sense of participation.

#### Profession

Nobody enters or remains in politics these days simply to serve the people. The increasing professionalisation of party politics has led to dispensing with the old Gandhian ideas of service through sacrifice. The new breed of politicians



feel that they are entitled to their legitimate share of power with all the spoils of office.

There can be no internal party discipline, let alone a sense of commitment, if one set of persons who are not better qualified are allowed more than their due share of power and others who are no less loyal and no less qualified are denied their rightful opportunity and kept at a distance for whatever reason.

The Prime Minister should take some time off from the humdrum routine of her official chores and ponder over this extraordinary situation. She has to do some introspection to see for herself how these distortions have been allowed to creep into the system before anything else can be done to rekindle the old spirit. She cannot afford to let her detractors get away with the feeling that half way through her term she has already reached the stage of diminishing returns. The ruling party cannot regain its élan if money collection for whatever purpose remains the main preoccupation.

#### Easy Promise

Experience has shown that a party in power cannot cover up its inadequacies by simply adopting radical postures. It is not without significance that Mrs. Gandhi has stopped talking of socialism, since she has learnt the hard way the limitations of slogans. But some of her colleagues continue to cry wolf to conjure conspiracies to divert attention from their own imperfections. The easy promise has its place in the heat of a campaign, but once a party is in power it cannot afford to rely unduly on the slick trick to create an illusion of induced progress or blame others for one's own failures.

There is no such thing as an enduring majority in Parliament. The numbers may be there, but the members are tormented by gnawing doubts when the people's faith in the Government begins to sag creating a clash between power and purpose. And the country now is passing through one of these agonising moments, when the people feel they have a right to expect better standards of dedication and rectitude from those governing them.

CSO: 4220/7472

## GANDHI, OPPOSITION STANCES ON NEW PRESIDENT TOLD

G. K. Reddy Report

Madras THE HINDU in English 4 Jun 82 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, June 3.

The Prime Minister, Mrs. Indira Gandhi, has agreed to meet the leaders of the Opposition parties to explore the possibilities of a consensus over the choice of a mutually acceptable candidate for election of the next President.

The meeting is expected to take place in the next two or three days to discuss the procedure for evolving a consensus — whether the principles that should be applied for selecting the candidate should be settled before discussing the names of persons who could evoke the confidence of both the ruling Congress (I) and the Opposition.

But there is little hope that they would be able to arrive at an understanding since the two sides seem to view the prospects for a consensus from diametrically opposite directions. The Prime Minister is quite suspicious of the plea for consensus because she considers it as no more than an insidious attempt to embarrass her, while the Opposition parties are no less apprehensive that she might outwit them in the end and impose her own nominee on the nation.

**P.M.'s idea**

The Prime Minister's idea is to start the process by selecting an eminent person who could fill this office with distinction and then try to build a consensus round this name to avoid a contest as far as possible. The Opposition parties, on the other hand, want to pin her down first to the principle of a consensus, before exchanging views on the suitability or acceptability of different persons and then narrowing down the choice step by step to a single name.

There is every likelihood of these initial moves getting bogged down into a stalemate, leaving the two sides free to break off the talks and put up their own candidates. The advocates of a consensus who are relying on the 1977 precedent do not realise that there is a qualitative difference between the

two situations.

The then Prime Minister, Mr. Morarji Desai, was personally opposed to the candidature of Mr. N. Sanjiva Reddi, but the rest of the Janata leaders backed him with complete unanimity which left the Congress party with no alternative except to go along with the consensus idea to avoid further embarrassment to itself in the wake of its shattering defeat in the post-emergency parliamentary elections.

The present Prime Minister, Mrs. Indira Gandhi, who is in full command of her party with its decisive majority in the electoral college, is under no such compulsion either from within the Congress (I) or the opposition parties to agree to such a compromise.

If she cannot have her way in evolving the necessary consensus over the choice of her nominee, Mrs. Gandhi would rather call off the talks and go in for a contest than let the opposition have any important voice in the selection of the candidate. But at the same time she sees no harm in going through the motions of this effort if only to demonstrate that, despite her clear majority in the electoral college, she is prepared to engage in a dialogue with the opposition to avoid a contest and keep the office of President above controversy if possible.

The Prime Minister continues to draw a distinction between the politics of the presidential election and the appointment of the next Chief Election Commissioner which in her view falls within the executive jurisdiction of the Government. She sees no justification at all for the Opposition demand that not only Mr. Sanjiva Reddi's successor but also Mr. S. L. Shaktiher's successor should be chosen by consensus in consultation with it.

The plea for extending the consensus principle from the choice of next President to the appointment of the Chief Election Commissioner has made her rather wary of the whole exercise. There have been some hints

from the Government side that one of the names under consideration was that of the Central Vigilance Commissioner, Mr. R. K. Trivedi, which cannot be legitimately objected to by the Opposition.

Our Special Correspondent reports:

The Congress (I) Parliamentary Board and Working Committee will meet here to approve the party's nominee for presidentship soon after a notification regarding the election is issued by the middle of this month. And in case, there is no agreement between the ruling party and the opposition on the choice of a candidate, the two bodies would work out plans for mobilising support for the party candidate in the electoral college.

The Election Commission is yet to finalise the time-table of the presidential election but polling, if necessary, will be held in the third week of July. The result will be formally known on July 22 but earlier if there is only one candidate.

Lok Dal Secretary General

Calcutta THE SUNDAY STATESMAN in English 6 Jun 82 p 1

[Text] NEW DELHI, June 5--The Opposition parties are against the idea of the next President being "only a Prime Ministerial nominee" and are waiting for a response from Mrs Gandhi to their letter to her suggesting that Mr Sanjiva Reddy's successor should also be chosen by consensus, as Mr Reddy was, Mr Madhu Limaye, Lok Dal general secretary, said today. The new President should not be a "dummy", he said, quoting from the remarks that Jawaharlal Nehru had made at the time of the framing of the Constitution.

Mr Limaye described as "fantastic" the theory that was being advanced by some, posing as the Prime Minister's advisers and supporters, that the President to be elected must be the Prime Minister's nominee.

He said that "the founding fathers of the Constitution, including Jawaharlal Nehru never thought in terms of a party nominee for presidency--leave alone his being a Prime Ministerial nominee".

Mr Limaye in this connexion quoted from what Jawaharlal Nehru had stated in the Constituent Assembly when he spoke on the Article relating to the President and his powers. During the discussion, a suggestion was that since the President was not to be directly elected, he should be elected by Parliament. To this Nehru had stated that Parliament would probably be dominated by one party or group which would form the Ministry or Government and if that party or group elected the President as well, it would choose its own nominee. "He would then be more a dummy than otherwise" Nehru had remarked.

Mr Limaye said that Nehru had commended the proposal of a larger electoral college, that included the State Assembly members as "the right method to choose a good man who will have authority and dignity in India and abroad"

He recalled that in 1952 Nehru wanted Mr C. Rajagopalachari as President, but his parliamentary party overruled him, and opted for Rajendra Prasad. Nehru

did not make it an issue of confidence and prestige. Again, in 1957, Nehru's preference was for Radhakrishnan, who was then Vice-President, but again he was overruled. Even then he did not turn it into a question of confidence in his leadership.

"Now, here we are suggesting a consensus President who would be acceptable by both the ruling party and the parties of the Opposition, and they have unanimously urged Mrs Gandhi to call a meeting and try to evolve an agreed candidate for the office, and there is no positive response as yet. This is most deplorable', Mr Limaye said.

CSO: 4220/7493

## BHARATIYA JANATA NATIONAL COUNCIL HOLDS CONFERENCE

## National Executive Meets

Bombay THE TIMES OF INDIA in English 4 Jun 82 p 1

[Text] SURAT, June 3--The national executive of the Bharatiya Janata Party has left it to the national council of the party to decide on the formulation of electoral and organisational strategy for future elections. The council begins a three-day conference here tomorrow.

The party general secretary, Mr. L.K. Advani's report on the performance of the BJP in the recent "mini-general elections" and a summary of the views expressed by members of the executive will be placed before the council to enable it to formulate future poll strategy. The BJP has set for itself a target of enrolling five million members by the end of July, and completing organisational elections, including election of the party president, by December 20.

No clear trends emerged in the deliberations of the executive, which concluded its two-day session here today, on poll adjustments with the Lok Dal and relations with the Janata Party. Members differed on the efficacy and utility of forming an alliance with the Lok Dal in Haryana. While some complained that the Janata deliberately put up a large number of candidates in Himachal Pradesh merely to thwart the BJP, others contended that the BJP had ruined the Janata's chances in the Mangrol assembly election in Gujarat by fielding its nominee.

Members of the executive disapproved of taking any action against Mr. Ram Jethmalani, whose statement regarding support to the front led by the Marxists had allegedly botched the party's prospects in Kerala. The general feeling was that Mr. Raman Pillai, an official of the Kerala unit, should not have rushed to the press with a charge against the senior leader.

In the Kerala election, the BJP drew a blank despite polling 2.8 per cent of the total votes cast.

The national council will discuss a resolution on ecology and environment. Its adoption may be timed for the World Environment Day.

There is little likelihood of economic and political situation resolutions being taken up separately. At least one senior leader is said to have expressed his inability to draft an economic resolution at short notice.

The BJP's stand on the choice of a nominee to succeed President Reddy would be decided by the national executive and the central election committee of the party, according to Dr. Murali Manohar Joshi, treasurer.

#### Khalistan Issue

In a resolution adopted earlier in the day, the national executive demanded the imposition of President's rule in Punjab, the removal of Mr. Zail Singh from the union home ministry and the publication of a white paper on the threat posed by the "Khalistan" movement and the sources of its strength.

Nothing short of these measures would restore the people's faith in the government's earnestness in fulfilling its obligations, it noted.

The demand that the United States and Canada should not allow their territories to serve as a haven for people indulging in violent activities aimed at undermining the territorial integrity of India and the Pakistan government's hospitality for hijackers figured in the deliberations but were not mentioned in the seven-page resolution.

The executive accused the Prime Minister, Mrs. Indira Gandhi, of nursing greater concern for her party's prospects than for the country's integrity. It claimed that when she held a dialogue with the Akalis, she merely tried to achieve a political understanding with them, but did not object to the "blatantly secessionist content" of the Anandpursahib resolution.

#### Vajpayee Opens Council Session

Bombay THE TIMES OF INDIA in English 5 Jun 82 pp 1, 9

[Text] SURAT, June 4 (PTI)--The president of the Bharatiya Janata party, Mr. Atal Bihari Vajpayee, today expressed his serious concern over a "sharp deterioration" in the internal situation on economic and political fronts, and asserted the party was committed to restoration of value-based politics.

Delivering the presidential address at the commencement of a three-day session of the national council of the party, Mr. Vajpayee expressed the apprehension that that Prime Minister Indira Gandhi might resort to some drastic steps in view of "reverse" suffered by the Congress (I) in the recent state assembly and by-elections.

It was likely, he said, that she might try to change the form of the government from the parliamentary to presidential system.

In the condition prevailing at present, the presidential system would be only another name for dictatorship of one individual, the BJP chief said and called upon all democratic parties to strive unitedly to defeat such "designs".

In a prepared speech in Hindi, running into 30 cyclostyled pages, Mr Vajpayee reviewed the national and internal scene, expressed concern at what he described as a sharp deterioration in the internal situation on political as well as economic fronts in the past one year.

Mr. Vajpayee said that while the north-eastern region had been be-devilled for quite some time by the problem of insurgency, secessionist elements had raised their head now in the border state of Punjab also.

The recent clashes between the Hindus and Christians at Kanyakumari, rise in the incidence of violence between caste Hindus and Harijans, growing popular discontent in J and K manifesting itself in violent incidents in Ladakh and Kishtwar were all pointers of this deterioration in the situation that could be ignored only at the nation's peril, he said.

Roundly charging the Congress party with encouraging casteism and communalism all these three decades since independence for sake of vote-catching, the BJP chief said it would not be possible to consolidate Indian unity as long as the politics of appeasement was pursued and elections and administration were influenced by considerations of caste or creed instead of merits of the issues.

The administration in Punjab had become an object of ridicule because of its helplessness in dealing with criminals, who were taking shelter in places of worship and the police was unable to do anything, he said.

He urged religious leaders to come forward and openly condemn the use of religious places as a shelter for criminals. He was sure it could not be the purpose or intent of any religion that such places should be so used.

Mr. Vajpayee said a successful fight against a mixing up of religion and politics, and against secessionist tendencies based on feelings of religious separatism, could not be waged by a government alone. A strong and vocal public opinion must be created which may counter the propaganda launched by the secessionist and anti-national elements.

Speaking on Assam issue, he demanded of the government to sort out the foreign nationals problem without any further delay specially because assembly elections there were round the corner. He said this problem, too, had arisen from the Congress party's unprincipled pursuit of power all these years.

#### Foreign Nationals Issue

"The Congress not only allowed but even encouraged foreign nationals to come to Assam and get themselves enrolled as voters" he said. The talks with leaders of the Assam agitation should be renewed immediately. The issues already agreed to at the tripartite talks (between government, opposition leaders and Assam-agitation leaders) should be implemented).

Mr. Vajpayee said that on government's own admission, foreign nationals had now started infiltrating into West Bengal and Bihar also. He demanded stern measures to check this inflow or else Assam-like situation was bound to arise in these two states, too.

He described the continuing atrocities on Harijans and their social and economic exploitation as a blot on the nation, far more reprehensible than the colour discrimination in the Western countries.

He said the accused in the killings of Harijans at Sarhupur and Deoli in UP, Mesthara in Madhya Pradesh and Bellabira in Bihar were still moving about freely.

Mr. Vajpayee called upon the Indian youth to become a torch-bearer of the message of social equality, going from village to village and eradicating the curse of untouchability.

He also declared that the RJP worker at every level would be a soldier in the cause of social equality and would formulate and implement appropriate action programmes aimed at securing a fair deal including a place as equals for these sections of the people. The BJP would make the necessary sacrifices, he asserted.

Mr. Vajpayee also appealed to the oppressed sections of the people, specially to the younger generation among them, not to resort to any steps which may have even more problematic consequences.

The recent attempts at mass conversation had left a great deal of rankle in its wake. From his 'padyatras' to Sarhupur and Deoli some months back, when he said the occasion to talk to both so called caste Hindus and the Harijans, he was convinced that a large fund of goodwill still existed between them.

#### Election Performance Discussed

Bombay THE TIMES OF INDIA in English 5 Jun 82 p 9

[Text] SURAT, June 4 (UNI)--The rank and file of the Bharatiya Janata party today mounted pressure on its leadership to give up its "opportunistic" poll strategy of alliances in favour of the party's traditional line of "going it alone" in the elections.

Participating in the inconclusive discussion on the party's performance in the recent assembly elections at its national council meeting, which began its three day session here this morning, almost all the delegates who spoke criticised top party leaders for pursuing this line at the cost of its credibility vis-a-vis people.

Mr. Thakur Prasad Singh and Mr. Rudra Pratap Sarangi, MP, (both from Bihar) were the only exceptions. They favoured a "flexible policy" of allowing scope for local adjustments wherever necessary.

All others were critical of the alliance with the Lok Dal, which they said was responsible for the party's debacle in Haryana. "Our party chief A. B. Vajpayee sharing platform with notorious defectors like Mr. Charan Singh, Mr. Jagjivan Ram and Mr. Biju Patnaik is a mockery of the BJP's claim of pursuing value-based politics," an angry delegate remarked.

#### Haryana Performance

In a free and frank four-hour discussion, there was a general opinion that "Congress defectors like Mr. Charan Singh only caused erosion in the opposition's area of influence."



Former Haryana chief minister, Mr. Shanta Kumar, was among those who led the attack on the present strategy. The BJP had done well in his state only because its alliance with Mr. Charan Singh's party broke down at the last moment, he added.

Two Kerala delegates--Prof. K. R. Raghavan and Dr. D. N. Ramachandran--upheld the poll strategy, independent of the rival alliances in the state.

While Prof Raghavan blamed party vice president, Mr. Ram Jethmlani's pro-Marxist utterances for its debacle in Kerala, Mr. Ramachandran attributed it to the BJP's pro-landlord image in the state.

Dr. Arvind Lele (Maharashtra) was critical of the growing "personality" cult in the party. The BJP had begun to be identified as "Mr. Vajpayee's party", he said, adding that this "undemocratic trend" had to be resisted in the overall interest of the organisation.

What Dr. Lele particularly disliked was the "unbridled populism" pursued by the leadership. Instead, the BJP should have a definite policies based on hard realities of the situation to enable it emerge as a much-talked about alternative to the Congress (I), he felt.

Party general secretary, Mr. L. K. Advani, initiated the discussion on the poll outcome and also presented before the council his report on the subject which too came in for criticism. Dr. Lele dismissed the document as "one sided".

The discussion, will be resumed tomorrow at the end of which the leadership proposes to introduce a formal resolution incorporating consensus on the issue.

The session began with the address of party president, Mr. A. B. Vajpayee, in which he warned against the emergence of dictatorial tendencies in the country. He pleaded for the unity of "democratic parties and elements" to meet the situation.

#### Party Resolution Reported

Bombay THE TIMES OF INDIA in English 7 Jun 82 pp 1, 9

[Text] SURAT, June 6--The Congress (I) government was allegedly steering the nation towards disaster and had surrendered to economic imperialism by letting foreign creditors dictate policy, the national council of the Bharatiya Janata Party said in a resolution today on the economic situation. The resolution was adopted unanimously.

A para incorporated at the instance of a dozen members, including the party chief, Mr. A. B. Vajpayee, who all felt there ought to have been some references to agriculture, advocated a proper amalgam of remunerative prices and input subsidies for narrowing down disparities between urban and rural sectors which were aggravated because of an unequal race between the prices of agriculture produce and industrial goods.

The resolution noted that poverty in the countryside resulted in a weak market which amounted to a low incentive for increase in industrial production. It said that, on the other hand, irrigation potential of four million hectares created at a cost of about Rs. 3,000 per hectare remained unutilised resulting in paradoxes like wheat imports alongside record production.

Dr. Bhai Mahavir, who had moved the resolution, announced the incorporation of amendments relating to the undermining of the concept of import substitution through concessions. But he took no notice of the criticism of the Maharashtra legislator, Mr. Anna Joshi, who took exception to one of the references to the textile strike in Bombay.

Mr. Joshi said the brief reference to the long duration of the strike and the inability of the managements to take delivery of machinery worth Rs. 35 crores were not in consonance with the fine record of the BJP legislators who outdid even leftists in the assembly in championing the cause of the 2.5 lakh affected workers.

Mr. Joshi wanted the party to voice a plea that issues like the choice of the people who should be invited for talks ought not to be linked with anyone's prestige.

Dr. Mahavir said the International Monetary Fund had stopped loan disbursements to 15 countries, including Rumania and Bangladesh, this year because of dissatisfaction with their policies. He warned the government of the IMF tendency to maintain a firm grip over domestic policies of borrowing nations.

The resolution alleged that devaluation of the rupee vis-a-vis dollar, which aggravated the burden of foreign loans, and relaxations to large houses and watering down of reservation for small units, were measures carried out at the behest of the creditors abroad.

#### Productivity Year

The resolution observed that though the government had declared observance of productivity year, public undertakings such as the railways and electricity boards had contributed to industrial recession among engineering units by cutting down their orders. And there were numerous other signs of disaster such as mounting of trade deficit which could even surpass the quantum of the IMF loan, increase in inflation at the rate of 30 per cent a year going by the index of 2.5 per cent for May and the growing signs of industrial sickness and labour unrest.

The resolution demanded free education for women at all levels, investigation of any girl's death under suspicious circumstances within two years of marriage, increase in the upper age limit for women entering government service from 25 years to 35 years and a ban on obscene posters.

The resolution entitled "blueprint for emancipation of women" noted that reprehensible instances like those of Maya Tyagi, Balvinder Kaur, Shanta Devi and Chhabilrani were being repeated frequently and said the law of the jungle seemed to prevail in Delhi where women enjoyed little security.

It also demanded the appointment of women doctors in rural areas, women officials for verifying complaints of rape, free functional education for all rural girls, special employment agencies and facilities for technical education as well as training in arts and crafts and mandatory creches.

Mr. Vajpayee said the Jammu and Kashmir chief minister, Shaikh Abdullah, might have complaints against the Prime Minister, Mrs. Indira Gandhi, but he should resist the temptation to seek a confrontation with the Centre.

Referring to the resettlement bill in the course of his valedictory address to the national council and in a chat with reporters, Mr. Vajpayee said the BJP would challenge the act in courts and also launch a mass movement to resist the legislation. He, however, hoped that the governor would not give his consent to the "mischievous piece of legislation."

The enactment would short circuit control of the Central government over immigration and so its constitutional validity was doubtful, he said. He wondered what would happen to the enactment if the Centre, which has to grant visas, refused to do so.

#### Decisions Explained, Closing Speech

Calcutta THE STATESMAN in English 7 Jun 82 p 1

[Text] SURAT, June 6--The president of the Bharatiya Janata Party, Mr Atal Bihari Vajpayee said here today that his party would strive to avoid a split in Opposition votes to ensure the defeat of the Congress (I) in future elections, report UNI and PTI.

Explaining his party's decisions, at the end of the three-day meeting of the BJP national council, Mr Vajpayee said the State units would have "electoral adjustments" with other non-Communist bodies to consolidate the party's objective.

He appealed to the Janata Party to abandon the "negative approach" it had adopted with regard to the BJP in the recent elections.

Mr Vajpayee also made it clear that he had no intention of seeking re-election as party president, on the expiry of his present term in December.

The party will meet for a plenary session in Madhya Pradesh at the end of December to elect a new president.

The BJP president directed the Party's Jammu and Kashmir unit to be ready to begin a "mass agitation" against the State's proposed Bill allowing citizenship to those who went over to Pakistan in 1947.

Mr Vajpayee hoped, however, that State Governor, Mr B. K. Nehru, would not give his assent to the legislation.

A party spokesman said that the date and nature of the proposed agitation in Jammu and Kashmir would be fixed later, in consultation with State leaders.

#### Kashmir Bill

Mr Vajpayee explained that opposition to the "Jammu and Kashmir Grant of Permit for Resettlement in or Permanent Return to the State Act, 1982" had nothing to do with Hindu communalism, as alleged by the State's Chief Minister Sheikh Abdullah. It was a question of national interest and security, he said, and demanded that the Sheikh "change his ways" of trying to turn Ladakh and Jammu into Muslim majority areas.

He demanded to know, however, whether the Union Law Ministry had cleared the J and K Resettlement Bill before it was introduced in the State Assembly.

If it had, it was a very disturbing thing indeed, he said, because it was "a mischievous piece of legislation" which short-circuited the control of the Centre over the influx of aliens into India.

#### Nuclear Plans

The Prime Minister, he alleged, was "toying" with the idea of exploding another nuclear device, preparations for the device were already afoot, he added.

If India kept its options open to go nuclear, it would not be able to prevent other countries, especially Pakistan, from acquiring a deterrent. He criticized the Government for "dragging its feet" in initiating talks on the "no-war pact" offer made by Pakistan.

The council adopted a comprehensive resolution on emancipation of women through providing educational opportunities, economic self reliance, social security and legal protection.

The resolution, tabled by Mrs Jayvati Mehta and supported by Mrs Mridula Sinha (Bihar), expressed the party's grave concern at the growing instances of atrocities on women following deterioration in the law and order situation.

In his 35-minute closing address, Mr Vajpayee surveyed the danger spots emerging on the national scene, asked the party to prepare itself for the bigger role that the developing situation called for, and declared that for the BJP, politics was and would always be a sacred instrument for serving the best interests of the nation.

CSO: 4220/7494

GOVERNMENT SPOKESMAN WELCOMES MITTERAND PROPOSAL

Calcutta THE STATESMAN in English 7 Jun 82 pp 1, 9

[Text] NEW DELHI, June 6--India today asked for immediate resumption of global negotiations to bring about a new international economic order, which in India's opinion is the paramount need of the hour.

In a statement, the official spokesman of the External Affairs Ministry welcomed the plan for a new world order based on rapid spread of new technologies as enunciated by the French President, Mr Francois Mitterand, while addressing the world's seven major industrial nations in Versailles yesterday.

The Government of India said that the problems of societies in different parts of the globe were interlinked and must be viewed and resolved in their global perspective. The Group of 77 in the United Nations had recently made a significant proposal in this regard which should be considered, the statement said.

The spokesman noted that a new international information and communications order was of equal importance to mankind's future and "the French suggestion for a possible charter of communications merits respect and attention".

India had constantly supported in UNESCO and elsewhere all endeavours to bring about a new international information and communications order, the spokesman said in his statement.

President Mitterand had put forward several ideas and proposals of far-reaching consequence to the world as a whole. "Note with deep satisfaction his sensitive perception and his humanistic approach to the world community's economic and other problems", the statement said.

"Of special interest to us in India is the President's marked emphasis on the accelerated transfer of the latest technologies to developing countries for their industrialization, and for vastly enhanced production of energy and food", he said.

During Mrs Gandhi's visit to France last November, Mr Mitterand and the Prime Minister had decided to set up an Indo-French institute of higher scientific learning in India.

"We share President Mitterand's desire to ensure the fair distribution of the resources of the seabed among the nations of the world", the statement said and welcomed equally his proposal for the increased availability of the resources of multi-lateral agencies for the socio-economic, technological and industrial advancement of the countries of the South.

India expressed the hope that President Mitterand's call for cooperation among nations to halt the spread of economic isolationism and for guarantees that protectionism would not triumph "receive the most serious attention of industrial-ly-advanced nations".

These unfortunate trends had disastrous effects on the major exports and economic activity of the developing countries, the statement said.

CSO: 4220/7496

REPORTAGE ON JANATA NATIONAL EXECUTIVE MEETING

Shekhar Remains Chief

New Delhi PATRIOT in English 9 Jun 82 p 7

[Text] The national executive of the Janata Party on Friday unanimously reaffirmed its confidence in party president Chandra Shekhar and urged him to continue to lead the party.

There was a chorus of 'No No' when Mr Chandra Shekhar told the party's supreme body that as its head he owned full responsibility for the Chandigarh convention fiasco and the party's poor showing in Himachal Pradesh and Haryana and said 'my resignation is before you'.

He said he would like the executive to select a person who could do better and build up the party in a more effective manner. As soon as he said 'I withdraw from this meeting so that the executive may discuss the matter', the members urged him not to do so.

There was no need to withdraw because no party leader had blamed him or said any adverse thing against him the members pleaded to him.

Former Prime Minister Moraji Desai speaking in the same vein said no single person could be blamed and every partymen was responsible for it. 'We fared badly because all of us have not functioned as well as we should have', Mr Desai said.

He deprecated the practice of some people airing their grievances in public instead of discussing them in closed-door meetings, 'We must speak with one voice', Mr Desai told his colleagues.

Mr Chandra Shekhar then agreed to stay on and informed the executive about the discussion he had early this week with Prime Minister Indira Gandhi on the general political situation in the country.

During the discussion on the elections, State party presidents Mrs Sushma Swaraj (Haryana), Mr Ranjit Singh (Himachal) Mr A Sreedhar (Kerala) and West Bengal vice president A K Dutta informed the executive about the situation on their respective areas.

Janata Party general secretary Ramakrishna Hegde, in his report on the party's poll performance, said the party lacked 'cohesive thinking and planning' he added.

#### Early Part of Session

Bombay THE TIMES OF INDIA in English 13 Jun 82 p 13

[Text] NEW DELHI, June 12--The Janata party wants opposition groups "to go ahead with the selection of a common candidate for the Presidential election."

The party leadership is prompted to make this appeal by "clear indications" that the ruling party is not keen on an unanimous choice.

It has asked the party president, Mr. Chandra Shekhar, to contact other opposition parties on the subject.

The Janata national executive which began a two-day session yesterday adopted a resolution on these lines.

The early part of the proceedings was highlighted by the offer of Mr. Chandra Shekhar to resign as president, assuming personal responsibility for the party's debacle in the recent elections and the near-unanimity with which the executive persuaded him to stay in office.

The executive received powerful support from Mr. Moraji Desai who thought that no single individual could be blamed for the electoral misfortunes of the party since "all of us have not functioned as we should have".

The executive heard a special report on the recent elections from one of the general secretaries, Mr. Ramakrishna Hegde. According to the report, the electors have punished every political party and the verdict "marks a new trend in the behaviour of the voters."

The report noted that it "has not provided a clear mandate except in West Bengal; it has repudiated the claim of charismatic leadership; it has punctured the ego of many political leaders."

Explaining the limitations of the party, the report said: "The Janata party is not a cadre-based like the CPM and the CPI and the BJP. Nor is it an individual-based party like the Congress (I) or the Lok Dal. It does not have the exclusive support of either certain castes or sections or regions as some other parties have. The party lacks in cohesive thinking and planning. It has not been able to mobilise resources and it has been a victim of inertia and a prisoner of inaction at various levels."

The report hoped "experience would set partymen to seriously think and devise ways and means of recovering the lost ground and image if they do not want to be reduced to a position of breathing for survival."



It went on "Eleections are due in four states early next year. In three out of these four states the Janata is the main opposition party. It can give a better fight to the Congress (I) in these states than what the BJP and the Lok Dal gave in Himachal and Haryana if strategies and programmes are worked out carefully in advance."

Pointing out that only 135 of the 441 candidates set up by the ruling party for the assembly seats at stake had won, the report held that the "severest loss" was suffered by that in spite of the unlimited resources at its disposal and Mrs. Gandhi's vigorous and painstaking campaigning."

#### More on Session, Resolutions

Calcutta THE SUNDAY STATESMAN in English 13 Jun 82 p 1

[Text] NEW DELHI, June 12--The Janata Party wants Opposition unity but will try to achieve it on the basis of "principles". This is expected to be reflected in its political resolution discussed by the National Executive today. The resolution will be released on Monday.

The discussion revolved around Mr Morarji Desai's feeling expressed today that "unprincipled unity is meaningless and if it is tried, it will not last".

Mr Desai said party unity and constructive work should be the main aims of the members. He also felt that mass agitations would not be of any use if confined to one-day fasts and said these should be on a continuous basis.

The political resolution may reflect Janata's view that the Congress (I) policies endangered the integrity of the country because they encouraged fissiparous elements.

At today's meeting of the two-day session of the National Executive, it was decided that a three-member committee would be appointed to formulate the party's approach and strategy to elections, particularly those due in the next few months.

A member of the executive will be put in charge of every State and he will submit monthly reports to the party president on the progress of efforts to organize the party.

Another committee will be formed by the president to recommend steps to identity issues affecting the people in various States so that the basis for mass action could be laid.

Various other ways were discussed to strengthen the organization of the party, including raising of funds by members of the National Executive.

UNI adds: The National Executive of the Janata Party today condemned the Israeli aggression on Lebanon and deplored that it was continuing even after the declaration of cease-fire.

While no resolution was formally passed, the party general secretary, Mr R. K. Hegde said the executive disapproved of this aggression as well as politics of individual terrorism as a means of solving international disputes.

Mr Hegde said the party wanted the United Nations to take urgent steps to restore normality in the region.

#### 'HINDU' Correspondent's Report

Madras THE HINDU in English 15 Jun 82 p 9

[Text] NEW DELHI, June 14--The Janata Party's enthusiasm for Opposition unity has waned, although it remains committed to it as a concept. This is clear from the resolution on the political situation adopted by the party's National Council over the week-end and released today.

While reiterating the Ahmedabad decision on Opposition unity, the National Council said it "wishes to make it explicitly clear that the success of the unity efforts depends also on the response of other Opposition parties."

This clarification became necessary obviously because it did not see sufficient zest in other Opposition parties for unity. In particular, it felt humiliated by the way the Lok Dal leader, Mr. Devi Lal, backed out of the unity move after associating himself with it at the Chandigarh convention in April.

Division of opposition votes: The party, however, resolved to ensure that Opposition votes were not divided in elections. "On the electoral front," the resolution said, the party "will cooperate with the Opposition parties to ensure that the Congress (I) does not benefit from the division of voters opposed to it".

The results of the recent elections, the party said, reflected "an unmistakable verdict against the ruling party. They provide clear evidence of the widespread discontent in the country and severe disillusionment with the record of the ruling party."

"The Prime Minister and the Congress (I) made a massive effort to win an endorsement of their policies and a renewal of their mandate. They sought to advance the electoral interests of their party through gross and unabashed abuse of the resources and machinery of the Government, partisan use of the mass media under Government control, pressure on public servants, mobilisation of the support and intervention of anti-social elements, blandishments and massive use of money and muscle power to corrupt and intimidate the electorate.

"In its anxiety to hide its failures and the severe infighting and indiscipline in its own ranks, the ruling party launched a campaign of calumny against the Opposition, sometimes terming the Opposition as anti-national, sometimes suggesting that the Opposition is financed by foreign powers, based on a tissue of lies to deny the glorious record of achievements that stand to the credit of the Janata Government."

Threat to democracy: Recounting the Congress (I)'s performance in the Assembly elections and by-elections and its bid to form governments in Haryana and Himachal Pradesh with the help of defectors, the resolution said:

"The developments that have followed the elections have only given further evidence of the desire of the Congress (I) to cling to power, even by outmanoeuvring the electorate through defections and by the patently partisan abuse of the powers and prerogatives of the Governor and the Central Government.

"These abuses and improprieties and the cynical dependence on defections underline the danger that the ruling party's policies pose to the basic norms of democracy and federalism, and vindicate the charge that it is set on the path of authoritarianism."

CSO: 4220/7485

ADDITIONAL POWER GENERATION EXPECTED IN 1982-83

Calcutta THE SUNDAY STATESMAN in English 13 Jun 82 p 7

[Text] NEW DELHI, June 12--After examining the status of power generating projects, the Ministry of Energy expects an additional 3,482 MW to be available in 1982-83, from the thermal and hydel stations and another 235 MW from the first unit of the Kalpakkam nuclear power station, if heavy water is available.

This is expected in addition to the 2,175 MW that became available in 1981-82, nearly 1,000 MW short of the expected additional 3,212 MW, from thermal, hydel and nuclear stations during the year.

Of the additional capacity, expected to be commissioned this year, 552 MW is earmarked for the northern region, 1,590 MW for the western region, 695 MW for the southern region, 498 MW for the eastern region and 147 MW for the north-eastern region.

For the northern region, 232 MW of additional power is expected from hydel projects like the Pong unit, Jamuna, Mukerlan and Anandpur Sahib projects, and thermal from the Kota and Singrauli.

For the eastern region, additional generation is expected from Jalkhadi, Bandel, Titagarh, Barauni and Talcher.

This is subject to plans being implemented as scheduled, something that did not happen last year for various reasons. For instance, in West Bengal, the Bandel unit was delayed because of late completion of the boiler and the delay in the supply of inputs needed by the project authorities.

Similar delay was noted in the Wanakburi project in Gujarat, and the Namrup waste-heat plant, in Assam. In hydel generation, the projects that suffered on account of delay in the supply of equipment were Nagarjanasagar, Srisaillam and Donkarayi while the Lakwa gas turbine project, in Assam, either received damaged parts from the suppliers, or did not receive them at all. The Kalpakkam nuclear power station, in Tamil Nadu, faced heavy water shortages and this difficulty still remains.

To remove the bottlenecks, the Ministry of Energy has improved the monitoring of the projects. Construction monitoring directorates have been set up in the

Central Electricity Authority, which regularly holds coordination and review meetings with the project authorities, equipment suppliers and manufacturers and construction agencies.

A close watch is being kept on all constraints for corrective action by the CEA officers, who are being asked to visit the project sites for inspection of the work. It is hoped that the slippages of last year will not recur this year.

CSO: 4220/7486

## TEAM STUDIES IMPACT OF PERSONAL INCOME TAX

Bombay THE TIMES OF INDIA in English 5 Jun 82 p 5

[Text]

**A**N expert study on the impact of the personal income-tax says that inflation has increased the tax burden all along the line, more especially at the lower-income levels.

Secondly, an analysis of data shows that there has been large-scale tax evasion and avoidance, inasmuch as the total of assessed income has not kept pace with the growth of net national products. Whatever the growth in assessed income is more due to the increase in the number of assesses, again as a result of inflation.

The evidence of evasion and avoidance is found in the fact that the expected faster increase from business in relation to other incomes in the upper-income brackets during periods of inflation, did not materialise. The elasticity of the personal income-tax would be stable and, at the same time, higher if the scope of tax evasion and tax avoidance is greatly reduced, the study adds.

The study was undertaken by economists Anupam Gupta and Pawan Aggarwal and has just been published by the National Institute of Public Finance and Policy (NIPFP). It is the first of its kind in India insofar as it makes an attempt to examine empirically how personal income-tax affects the distribution of income and spreads the tax burden, according to the NIPFP.

**DEFICIENCIES NOTED**

The project to measure the impact of income-tax, its elasticity, distribution and progressivity was based on all-India income-tax revenue statistics for the period 1960-61 to 1975-76. The study points out "deficiencies" in tax statistics, now compiled by the directorate of inspection (research, statistics and publication), income-tax department, and makes recommendations for improvement in their collection and presentation.

Giving examples of effective rates of tax at comparable real income levels both under the 1960-61 tax structure and the effective rates in 1969-70 and 1974-75, the study says the combined effect of inflation and increases

in the marginal rates of tax resulted in substantial increases in the effective rates of tax (tax burden) at comparable real income levels between 1961-62 and 1974-75.

The analysis of data reveals that inflation increased the incidence of income-tax mainly at the lower-income levels. "Due to inflation not only more persons and institutions with lower real incomes than the exempt real income in the base year are brought under the tax, but also the assesseees in the lower-and middle-income brackets are subjected to proportionately higher increases in the effective rates of tax than those in the upper-income brackets."

The NIPFP has also made a quick estimation of the income levels at 1972-73 prices and the effective tax rate for both salary and non-salary earners under the tax structures for 1973-74 and 1983-84 (assessment years). This shows that between 1973-74 and 1983-84 the effective tax rate for salary earners has gone up by more than 100 per cent for the income slabs ranging up to Rs. 20,000 and Rs. 30,000. It is only in the case of income slabs above Rs. 1 lakh and up to Rs. 10 lakhs, there is a decrease in the effective tax rate as between the two periods. For non-salary earners the comparative rate of increase is generally more favourable.

The study says the relative importance of the personal income-tax as a source of revenue has gradually diminished over the years. To a large extent, this has happened because of the extension and multiplication of indirect taxes. Although the average annual rate of increase of personal income-tax revenue was as high as 14.1 per cent over the period 1960-61 to 1975-76, its share in the total tax revenue of the Union government had decreased from 18.4 per cent in 1960-61 to 16.0 per cent in 1975-76.

The size of the total gross income of income-tax assesseees increased from Rs. 1,024 crores in 1961-62 to Rs. 3,439 crores in 1976-77, indicating an average annual rate of increase of 8.4 per cent. The total number of assesseees under the personal income-tax

increased from 1.04 million in 1960-62 to 2.15 million in 1976-77. In 1971 the total number of assesseees constituted slightly more than one per cent of the total working population, and less than four per cent of the working population in the non-agricultural sector.

#### IMPACT OF DEDUCTION

Personal income-tax assesseees comprise individuals, Hindu undivided families and unregistered firms or other associations of persons. Individuals account for more than 90 per cent of the total assessments under the tax. Their share in total assessed income increased from 8 per cent in 1953-54 to 92 per cent in 1975-76. The share of Hindu undivided families decreased from 11 per cent to six per cent and that of unregistered firms and other associations of persons decreased from five per cent to two per cent during the same period.

As of 1976-77, individual assesseees, who accounted for 92 per cent of the assessed income, paid 87 per cent of the personal income-tax assessed. The personal income-tax is, therefore, largely a tax on individual assesseees.

The salary income had risen from 32 per cent of total gross income in 1960-61 to more than 44 per cent in 1974-75. This significant rise in the share of salary income is attributed to the phenomenal increase in the number of assesseees with salary income between 1971-72 and 1974-75. These assesseees constituted 54 per cent of the total number of assesseees in 1974-75.

Subsequently, with the introduction of standard deduction, the share of salary income dropped in 1975-76 but again rose to 41.2 per cent in 1976-77. Salaries constituted more than half of the gross income of the lower 70 to 80 per cent of individual assesseees.

On the other hand, the share of business and professions and "other sources" in total gross income, which accounted for more than 60 per cent of gross income in the top ten per cent of individuals in any assessment year, decreased from 60.2 per cent in 1959-60 to 58.1 per cent in 1975-76. The share of these two sources further decreased to 54.6 per cent in 1976-77.

The study, however, points out that changes in the distribution of gross income of the assesseees do not provide any idea about changes in the distribution of income as such because with inflation new assesseees come under taxation and, with an upward revision of the exemption limit, a certain number of people go out of the tax-paying group.

While deductions should normally

benefit assesseees at the lower levels of income groups more than upper levels, the empirical exercises carried out by the economists show that all along, the deductions were largely neutral with respect to the distribution of income.

#### INCOME IN ASSESSEE

The study says that contrary to general expectation, the share of salary income increased particularly during the period of high inflation. If this is taken to indicate an increase in tax avoidance and tax evasion during inflation by non-salary earners, the appropriate policy measure, for increasing the elasticity would be the plugging of loopholes in the tax administration rather than a change in the degree of progressivity.

As a result of inflation raising the income level in nominal terms, the assesseees are shifted to higher rates of tax. The incomes of a large number of income earners cross the exemption limit and become taxable, leading to an increase in the total number of assesseees.

An analysis of change in finance acts since 1961 show that the upward revisions of the exemption limit and the deductions did not fully neutralise the effect of inflation on taxable income. A significant proportion of the total number of assesseees came under the tax as a result of inflation.

Since there is an upper limit to the marginal rate of tax, incomes in the uppermost slab cannot become subject to further higher rates of tax owing to inflation, only incomes in the lower tax brackets move up to higher brackets and come under higher tax rates.

"Inflation thus increases the incidence of tax on the existing assesseees in the lower income ranges, and the income range immediately above the exemption limit is filled up by new assesseees. The distribution of tax liability may not be affected as a result. The progressivity in the tax structure depends upon the distribution of tax liability among the whole set of taxable income ranges extending from the lowermost to the uppermost ones. As such, the estimate of progressivity is not essentially affected by inflation."

The study does not take a definite view on whether inflation indexing should be introduced because of its "limitations," including its reduction of the stabilising effect of the income-tax structure. There is also the argument that in a country in which one per cent of the total working population pay income-tax, the exemption limit should not be raised any further, the study points out.

## WORLD BANK TO AID RURAL ELECTRIFICATION

Bombay THE TIMES OF INDIA in English 4 Jun 82 p 9

[Text]

NEW DELHI, June 3: The World Bank has agreed to lend \$ 304.5 million to India for rural electrification facilities. The loan is for 20 years, including five years grace, at 11.6 per cent interest per annum. This also carries an annual commitment charge of 0.75 per cent on undisbursed balances, and includes a front-end fee of 1.5 per cent on the amount of the loan.

About 500,000 households and 100,000 commercial consumers are to benefit from the project. The widespread improvements will enable 25,000 small industrial enterprises to be connected to the distribution network and 18,000 villages to have access to the grid. Over half a million irrigation pumps will be electrified, greatly easing irrigation procedures for farmers.

Implementation of the project will be the responsibility of the state electricity boards under the direction of the rural electrification corporation. The state boards will present proposals for new power distribution schemes to the corporation for appraisal of technical, financial, and economic aspects.

Equipment and materials for some 3,500 rural electrification schemes, which meet eligibility criteria, will be financed under the project. About 100 distribution system improvement schemes will also be assisted.

The project, which is part of the country's latest five-year development plan for the power sector, is the third rural electrification project to be assisted by the bank. Funding of \$ 175 million for the second part of the project was approved in 1979.

CSO: 4220/7467



## INSURGENT FORCES REPORTEDLY SUFFER SETBACK

Calcutta THE STATESMAN in English 5 Jun 82 p 9

[Article by S. Guru Dev]

[Text]

IMPHAL, June 4.—The Meitel insurgents have suffered setbacks, particularly with the capture of Bisheswar at Tekcham on July 6 last year and the death of Kunjbihari on April 13 this year. The PLA dead at Tekcham included four of the original 16 trained at Lhasa, namely K. Biramangal Singh, L. Inderjit Singh, Kabichandra Singh, A. Rajen Macha Singh, and three others.

The Kodompokpi operation in which 13 top insurgents, including Kunjbihari, were either killed, wounded or captured, was, in some respect, a greater disaster. The last of the Mohicans or Lhasa-trained is Temba who, according to some sources, was killed by the Burmese forces across the international border. And that leaves Manikanta alias Laiba and a few other claimants to the leadership. Manikanta apparently is not cast in the ascetic mould like the "Lhasa" group and the original "Ojhas" or gurus who abstained from liquor and tobacco and led a celibate life (Bisheswar, however, was married). But in the shadowy world of the guerrilla, truth and fiction are relative; the moment of realization is often bitter and tragic.

**A CRISIS OF LEADERSHIP**

The PLA and the others like PREPAK are facing a crisis of leadership, morale and ideological which, even in Bisheswar's time was not properly digested. The PLA texts like Bisheswar's "Dawn" series emphasized the teachings of the supreme mentor, Mao, and guerrilla tactics, stressing the need to operate in small mobile packs and attrition. The rebels rarely stayed at a place or village for more than two nights. The Lhasa mentors evidently gave them no weapons but instilled in them a revolutionary zeal and self-reliance. Hence the rash of hold-ups and attacks on police and paramilitary outposts to get at their weapons. The insurgents became more daring with success, eliminating informers ruthlessly; their charisma

grew.

At present the PLA's strength is estimated at 40 to 60 hardcore, including the Ojhas and active members of the various units (of which there are 18) and 400 to 500 active sympathizers. Insurgency rests on the people's support, covert or overt, and a sure indication of "losing grip" would stem from the insurgent ability to attract more recruits despite heavy losses in men and material. Fortunately, that is not so.

In fact, Bisheswar's capture led to in-fighting, or when there is conclusive evidence. The late Kunjbihari took over since there were no other leaders capable of the task. Intelligence monitored reports about splinter groups challenging the leadership and discontent in the ranks.

PREPAK went through a murderous phase, largely factional, after Tulachandra's capture. The blood feuds and killings brought counter-insurgency to Imphal and Greater Imphal, jeopardizing the PLA's survival.

The guerrilla has still the choice of terrain and surprise—two elements that were exploited when 21 jawans were ambushed and killed at Namtilok on the Ukhrul road, 25 km from Imphal, by Muivah's NSCN hostiles. Not since the killing of 23 CRP men by Kukis in Tamenglong in the mid-sixties has there been such a carnage.

It is not uncommon for critics to be wiser after the tragedy. A rumour in Civvy Street is that the army authorities were told about new faces having been seen in the surrounding villages a day or two

before the ambush. Such intelligence is too ambiguous to help tactical development. A pity nevertheless since interrogation of the villagers established that the ambushers, largely Tanghuls had filtered into the villages in batches and had even dug trenches to site their LMGs. The fall-out, including allegations of the Jawans, having raped two tribal girls travelling by bus to Ukhrul and other crimes need to be verified. Such allegations not only besmirch the security forces but encourage young men to join the underground.

A young doctor at Litan on the Imphal-Ukhrul road told me that no cases of rape had been brought to him.

#### FRATERNIZATION

In Manipur, fraternization has been carried a stage further as a part of psychological warfare or "psy ops" in army jargon. Take for example the concept of satisfying the "felt needs" of the people. This aims at identifying the "critical" needs in terms of essential supplies, medical cover, construction work etc., and to ensure prompt response within certain constraints. Involving the locals and their institutions is another.

Civic action is channelized through pradhans, elected members Nupl (women) leaders and youth organizations to increase their credibility and win them over. The insurgents are particularly allergic to this scheme. The "person-to-person" contact is to break down what is described as the Meitei-Mayang (outsider) syndrome.

The message that is put across is that "we are a part of you, working to re-establish peace and security". This approach has paid dividends which goes to show that sincerity is nobody's monopoly.

A major component of the package is self-help. The army provides the hardware like transport, bulldozers or expertise, technical and organizational, but the labour, skilled or unskilled, is local. Organizing village self-defence groups is a pioneering venture but different to the VG (village guards) or VVF (Village Volunteer Force) in concept.

Counter-insurgency, as the Brigadier puts it, is a constant battle to win the hearts and minds of the people and deny the insurgents active local support. It goes without saying that propagandas is an integral part of "psy ops". The PLA is adept at it but the authorities and the security forces are learning fast. The murder of a Meitei girl, Sarojbala Devi, on March 6 this year after she had

been kidnapped and tortured by a PLA group seemed tailor made for propaganda. But the PLA headquarters hit the city first in the pamphlet war, making it known that the killer was "executed" for anti-party activities and tarnishing the image of the PLA which, observers, say is a scrupulous respecter of women.

The average Meitei or the man in the street has his own contribution to this business of psychological warfare. He understands neither Hindi nor English; even "sign language" is a casualty. As a wag remarked, visitors to Imphal will have to be provided interpreters but what will happen if the interpreter has a bout of amnesia.

Coming back to insurgency, a radical Meitei writer and intellect poses the questions which the PLA will have to ponder urgently if the Red Star is to twinkle over Manipur. He says: That the death or incapacitation of the original nucleus will be sorely felt by the PLA is an understatement. While a casualty rate of 45 in four years is not exactly on the high side no liberation movement in recent history has had the misfortune of losing 19 of its top-ranking leaders material in four years. Can the PLA absorb such losses. One agrees readily with the writer when he says that there is no dearth of idealistic or misguided (depends upon which side of the fence one is) young Meiteis ready to fill the breach.

Unlike the Naga and Mizo insurgencies, the Meitei has had to depend increasingly on urban and semi-urban pockets for shelter. There are no trans-border shelters for him unless he weighs in with the NSCN or the MNF. Bisheswar had his reservations about such links. There are indications, however, that the new PREPAK or what is left of the old one may welcome a working relationship with the other ethnic rebels. The crux of the problem is that both PLA and PREPAK now confined to the second rung for leadership, has to recoup physically, revitalize their spirit or morale and dramatize their presence with a punch against an army conversant with the terrain and psychologically equipped.

The security forces, moreover, have no illusions about the movement. The PLA, they know, is not defunct. The present dormant phase may not last long—it could be a breather before the insurgents strike, abetted by monsoon conditions, when the authority is overconfident and inclined to rest on its oars. The PLA has the will and the capability to carry on terrorist acts.

## DISTRIBUTION OF INDIANS ABROAD REPORTED

Calcutta THE STATESMAN in English 14 Jun 82 p 9

[Text] NEW DELHI, June 13--According to the last count of Indians abroad, made in the middle of 1980, the largest concentration of persons of Indian origin is to be found as much in the neighbouring countries such as Nepal, Burma, Sri Lanka, Malaysia and Singapore, as in far-flung ones like the U.K., the USA, Canada, Guyana, Trinidad and Tobago, Surinam, Mauritius and Fiji.

Nepal, however, leads the list with 3,800,000 people of Indian origin. Of these, about 388,000 have accepted Nepalese citizenship.

In all these countries except Burma there is similar absorption of a sizeable number of Indians as citizens.

The following are the figures of residents of Indian origin and of those who have taken local citizenship, relating to 12 countries with a substantial number of Indians:

Sri Lanka 1,350,000 (of whom 433 000 have become its nationals), Malaysia 1,208,500 (1,009,500), Mauritius 623,500 (612,500), the U.K. 500,000 (250,000), Guyana 424,400 (424,100), Trinidad and Tobago 421,000 (420,000), Burma over 300,000 (7,200), Fiji 300,697 (300,650), the USA 300,000 (35,000), Canada 175,000 (95,000), Singapore 159,500 (122,000), and Surinam 124,900 (124,750).

Among other neighbouring countries, Bhutan has an Indian population of 40,000. Only 20 of them have acquired its citizenship.

Some others: Afghanistan 30,000 (25,000 of them nationals) Bangladesh 450, Seychelles 500 (350), and Indonesia 20,000 (5,000).

As regards Pakistan, no figures are available.

Russia has 750 people of Indian origin, just two of them are its citizens. Australia 18,599 (15,985), New Zealand 10 000 (9,200), China 8, Hong Kong 12,600 (14,000) and Japan 1,858 (110).

The figures for African countries (with the number of citizens in brackets) are:

Algeria 1,500 (40), Botswana 820 (500), Burundi 120 Cameroun 150, Central African Republic 40, Chad 6, Congo 25, Egypt 600 (1), Ethiopia 2,350 (450), Gabon 20 (15), Gambia 78 (10), Ghana 1,250 (44), Guinea 7, Ivory Coast 15, Kenya 79,000 (72,500), Lesotho 1,020 (800), Liberia 1,000, Libya 10,000, Madagascar 20,000 (15,500), Malawi 4,900 (3,640), Mali 10, Morocco 500 (125), Mozambique 22,043 (21,792), Nigeria 15,000 (3), Rwanda 58, Senegal 80 (50) Sierra Leone 612 (12), Somalia 1,072 (172), Sudan 1,800 (98), Swaziland 41 (12), Tanzania 59,000 (55,000), Togo 75, Tunisia 25, Uganda 430 (300), Upper Volta 15; Zaire 700 (200), Zambia 22,600 (9,000) and Zimbabwe (293).

The distribution of persons of Indian origin in West Asia, the Gulf countries and Turkey is:

Bahrain 40,000 (200), Iran 20,800 (920), Iraq 20,250 (10,000), Jordan 3,515, Kuwait 65,000 (100), Lebanon 600 (7), Oman 60,000 (5), Qatar 30,000 (125), Saudi Arabia 120,00 (2,000). Syria 203, Turkey 10, United Arab Emirates 152,000 (2,000), Yemen Arab Republic 3,500 (300), Yemen People's Democratic Republic 100,000 (99,500).

In east, south and south-east Asia (other than the countries already mentioned), the Indian population is: South Korea 104 (18), Laos 60, Vietnam 200, and Philippines 3,000 (500).

In Europe, the distribution of Indians is: Austria 80 (23), Belgium 400 (5), Czechoslovakia 11 (11), Denmark 637 (65), Finland 100 (20), France 500 (6), West Germany 13,082 (1,521), East Germany 100, Greece 300, Hungary 2, Iceland 6 (6), Ireland 6 (6), Italy 900, the Netherlands 101,500 (100,000), Norway 1,450 (75), Poland 49, Portugal 6,000 (5,939), Spain 4,000 (37), Sweden 1,899 (1,172) Switzerland 2,434 (449) and Yugoslavia 50.

Indians, according to the report prepared by the Consular Division of the External Affairs Ministry, are to be found in every part of the world, including the islands in the Caribbean and those in the South Pacific. In Grenada for instance, there are 3,900-3,700 of them citizens of that land. In Jamaica 50,318 (50,000). In tiny Nauru in the South Pacific there are 40 Indians.

CSO: 4220/7489

## PRO-AUTONOMY KASHMIR LEADERS FILE PETITION

New Delhi PATRIOT in English 13 Jun 82 pp 1, 7

[Text] SRINAGAR, June 12--Two leaders of the pro-autonomy Kashmir Peoples Conference have filed a joint writ petition in Jammu and Kashmir High Court seeking expeditious consent of the State Governor to controversial Resettlement Bill and also annulment of constitutional provision under which offices of 'Sadar-i-Riyasat' and 'Prime Minister' (of Jammu and Kashmir) were abolished and replaced by existing institutions of Governor and Chief Minister 17 years ago.

Chairman of the Peoples Conference Abdul Ghani Lone, MLA and Vice-Chairman Muzaffar Husain Beg have filed the petition yesterday under Article 226 of Constitution of India read with Section 103 of Constitution of Jammu and Kashmir.

Petitioners have sought a writ of mandamus directing Governor B K Nehru to 'deal with Resettlement Bill' in accordance with provisions of State constitution'. It also sought a writ of certiorari quashing sixth amendment to State constitution' for restoration of nomenclature and powers of 'Sadar-i-Riyasat' on ground that existing proviso was violative of constitutional guarantee regarding special status of Jammu and Kashmir.

Besides Governor Nehru, respondents cited in the petition are President of India, Prime Minister Indira Gandhi, State Chief Minister Sheikh Abdullah and the State Government.

The petition alleged that the Governor had acted 'with extraneous consideration including political motivation' in dealing with the bill. It contended that Governor's action in referring the bill to Attorney General of India for his legal opinion as also 'questioning its political desirability with the Central Government' by consulting Prime Minister and other Central leaders in this connection was inconsistent with and violative of provisions of the State constitution. Petition argued that all these persons and institutions were 'exterior to State constitution' in this matter.

Petitioners have prayed for court direction to Prime Minister and President 'to allow Governor Nehru to proceed in dealing with resettlement bill in accordance with the State constitution and to refrain from exerting any pressure on him.'

They have also sought another court direction to Chief Minister 'to move for enactment through legislature the Jammu and Kashmir constitution (Amendment) Act' moved by Abdul Ghani Lone in the State Assembly and rejected by House seeking to rescind sixth amendment to the State constitution the petition alleged that Governor Nehru had 'violated his oath of office to defend and protect the constitution of the State.'

It asserted that the Governor was not empowered to refer the Resettlement Bill to 'authorities exterior to State Constitution or to seek their consultation prior to fulfilling his own constitutional obligation to give consent to legislation in terms of State constitution under which he had no other option.'

CSO: 4220/7488

## RADIO SPYING BY FOREIGN MISSIONS IN DELHI REPORTED

New Delhi PATRIOT in English 8 Jun 82 p 1

[Text] There is a merry game of "I spy" going on in the ether waves between intelligence agencies and the foreign missions in the Capital.

And the sleuths are sore that the diplomats are not sticking to the rules of the game.

Almost all embassies and high commissions in the Capital have high powered transmitters--as also receivers--for communicating with their respective Capitals. As part of the international protocol on the subject, each one of them has been allocated a specific frequency on the radio spectrum for the purpose.

For many years now, Indian intelligence agencies who routinely monitor these broadcasts have discovered that the foreign missions are not sticking to the frequency allocated to them, but are transmitting their messages on various other frequencies.

Monitoring agencies keeping watch on this have discovered that the missions frequently change the clandestine frequencies to prevent the messages from being understood either by the host country or by other missions.

Considerable sophistication has been reached in this game by all the parties concerned. Some of the technologically advanced countries use computerised coding systems as also electronic codification of the 'message' which after coding can be beamed in a super fast 'pulse' instead of the normal voice or morse-code transmissions. The 'pulse' instead of the normal voice or morse-code transmissions. The 'pulse' can be recorded only by the receiving country and deciphered.

Experts rate the Indian surveillance to be of a very high order. The maintenance of the equipment as well as the training of the personnel is said to be the main reason for the Indian excellence.

While a random check is kept on all the frequencies allotted for diplomatic transmissions, a special check is made on countries in which India has a strategic interest, including the neighbouring countries. So good had the Indian systems become that during the 1971 incidents, complete tapes were available of the then Pakistani president Yahya Khan's talks with his officials and army commanders in the erstwhile East Pakistan.

## NEW HARYANA COUNCIL OF MINISTERS SWORN IN

New Delhi PATRIOT in English 8 Jun 82 pp 1, 8

[Text] CHANDIGARH, June 7--The 21-member Haryana Council of Ministers was expanded today with the inclusion of Mr Surinder Singh, son of former Defence Minister Banshi Lal. He was later allocated the Agriculture and Wild Life portfolios.

Immediately after the administration of oath by Governor G D Tapase, his numerous supporters including Mr S K Bhole who was expelled by the HPCC-I for six years some time back congratulated him.

Atmosphere at the swearing-in was surcharged. Among those present at the swearing-in besides numerous Banshi Lal supporters and Ministers from both Haryana and Punjab were Mrs Banshi Lal and Mrs Surinder Singh. Mr Banshi Lal, did not attend the function.

Chief Minister Bhajan Lal announced a minor reshuffle of portfolios to adjust Mr Surinder Singh. Mr Birender Singh who headed Agriculture was shifted to Cooperatives and Dairy Development, presently held by Mr Harpal Singh. Mr Harpal Singh will now have Rural Planning Urban Estates, Colonisation and Animal Husbandry. The first three portfolios were earlier held by Mr Bhajan Lal himself.

The Bhajan Lal Ministry has 13 Cabinet Ministers and eight Ministers of State besides the Chief Minister.

Later talking to newsmen, Mr Bhajan Lal said there were no differences between him and Mr Banshi Lal. The party was united, he added.

Mr Bhajan Lal claimed that there were over 50 MLAs on his side and he would prove his majority on the floor of the House.

Mr Bhajan Lal said he had received complaints from the relatives of three Lok Dal legislators that they (legislators) were being kept as captives by Lok Dal leader Devi Lal.

He said the Government was deliberately not taking any action on the complaints and was appealing to the Lok Dal leadership to free the legislators.



The crucial Assembly session is likely to be summoned on 28 June.

A hint to this effect was given by the Chief Minister himself.

Asked whether any date had been fixed for the Assembly session, Mr Bhajan Lal said since 10 days' notice was required so even if a notice was given on 18 June, the session could be held only on 28 June. Asked whether, he was spelling out the date, the Chief Minister said: 'you may say so.'

CSO: 4220/7475

## REVISION OF PUBLIC SECTOR PLAN SEEN INEVITABLE

Madras THE HINDU in English 7 Jun 82 p 9

[Text] NEW DELHI, June 6--An upward revision of the public sector outlay for the 1980 85 Sixth Plan from the projected level of Rs. 97,500 crores is considered inevitable by the Planning Commission for fulfilling the physical targets of the plan corresponding to this financial outlay based on the 1979-80 price level.

The Commission which has initiated exercises for completing a mid-term review of the Sixth Plan in the next two months is currently scrutinising the reports received from the several field agencies implementing the Plan programmes. The reports indicate that substantial cost escalations have taken place and unless the financial allocations are substantially revised upwards, it will not be possible to achieve the projected physical targets.

## Slippages

The Commission has also received reports that there have also been slippages in the implementation of the plan programmes during the last two years of the Plan in some of the sectors.

The Commission is firmly committed to the implementation of the physical targets projected for the Sixth Plan. Right now there is no indication of the step-up in the financial outlay which will be required to ensure that the plan targets in real terms are achieved. It will however, be difficult to avoid a minimum 10 per cent increase in the outlay.

The Commission is distressed by the poor performance of the State Governments in the mobilisation of additional resources for the financing of the plan outlays. There have, however, been exceptions like Tamil Nadu whose record in resources mobilisation during the last two years of the plan has been received with a great deal of satisfaction by the Commission.

The Commission hopes that Tamil Nadu will maintain this pace though it is rather perturbed by some recent trends, as for instance, the ambitious mid-day meals scheme. The Commission is not at all sure that Tamil Nadu would be able to mobilise enough resources to finance this scheme estimated at Rs. 100 crores and also fulfil the other Plan targets.

The mid-Plan review will take stock on the progress achieved during 1980-81 and 1981-82 and also the prospect for fulfilling the targets set for 1982-83. While stepping up the public sector plan outlays, it will be necessary to redraw some of the priorities. The redrawn priorities will provide for a big step-up in the outlay for oil exploration and production from the level of Rs. 3000 crores though it is very doubtful whether it will be able to meet in a full measure the demands from the Oil and Natural Gas Commission.

The Commission does not believe that the country is going to reap any advantage worth mentioning from the softening of the international oil situation resulting from surplus availability. Since India is buying oil mostly under contractual arrangements and not in the spot markets, it will have to pay the contracted official prices. The only favourable factor here is that the prices will not rise for the time being. This situation hardly minimises the rigours of the task of producing more oil within the country.

#### Rlys' Plea

The Commission also seems to have been persuaded by the pleas of the Railway Ministry for the allocation of additional funds for meeting the huge demands for more rolling stock and the strengthening of track.

The Commission expects that the substantial assistance by way of balance of payments support from the International Monetary fund to the tune of Rs. 5,000 crores could be fully drawn by November 1984. It does not see any difficulties about the country being able to raise short-term commercial loans from the international capital markets.

The present strains on the capital markets arising from the changed oil situation and the decline in petro-dollar inflows are not expected to affect the availability of funds for India since its borrowing is on a much too smaller scale than several other developing countries. Nevertheless, the Commission is not in favour of India making a big draft on the international markets since this will raise the external debt burden on the country steeply.

CSO: 4220/7474

G. K. REDDY: U.S. NEGLECT OF INDIA MAY BE OVER

Madras THE HINDU in English 7 Jun 82 p 1

[Article by G. K. Reddy]

[Text] NEW DELHI, June 6. After finalisation of the dates for her U.S. visit, the U.S. President, Mr. Reagan, has written a very warm letter to the Prime Minister, Mrs. Indira Gandhi, saying that he was keenly looking forward to their talks in Washington.

The amiable and solicitous tone of the letter is being interpreted as a reflection of the new American inclination to pay a little more attention to India's sensitivities, despite the persisting differences between the two countries over many issues.

The latest letter from Mr. Reagan is in the nature of a reply to Mrs. Gandhi's recent communication confirming the dates of her Washington visit in response to his earlier invitation.

But these personal communications, which form part of an on-going correspondence between the two heads of Government, are intended to set the right tone for their forthcoming discussions.

As India sees it, the period of benign neglect in the U.S. attitude towards this country is now over and the Reagan administration is no longer giving the impression of ignoring it.

Impact on U.S. Thinking

The way the more important West European nations like Britain, France and West Germany, not to speak of Austria, Italy, the Benelux and Nordic States, have been making a concerted attempt to establish closer links with India, has evidently made some impact on U.S. thinking on South Asian developments.

There can be no worthwhile Indo-American dialogue without some candid exchanges on their respective approaches to problems of peace and stability in South Asia. This will inevitably bring in the question of Indo-Pak relations. But neither Mrs. Gandhi nor Mr. Reagan will let the Pakistan issue dominate their discussions, since there are other equally important developments relating to super power rivalries in the region, besides their own bilateral relations.

It appears that Pakistan is trying to step up the pace of its no-war diplomacy by pressing for a resumption of the stalled talks with India before Mrs. Gandhi goes to Washington.

The Indian preference is to have the next meeting at the foreign secretaries level in Islamabad some time in August, since Mr. M. K. Rasgotra and other senior officials would be preoccupied during the earlier period with the preparatory work for her U.S. visit.

During his visit to Islamabad last week, Mr. Natwar Singh was given a copy of the Pakistani draft of the proposed no-war pact. The former Foreign Minister of Pakistan, Mr. Agha Shahi, had brought a draft with him when he came to Delhi at the end of January last to start the no-war discussions. The Indian side also had a draft ready just in case Mr. Shahi presented his draft during the discussions.

But it was agreed at that time not to put forward these drafts, since the two sides were still engaged in settling the basic elements that should be embodied in a no-war pact.

Nothing has happened in the meanwhile to justify the Pakistani decision to submit a draft and then publicise the fact that it has been sent to Delhi, unless it is intended to justify the plea for an early resumption of talks before Mrs. Gandhi's Washington visit.

CSO: 4220/7474

## GROWTH OF INFLATION SINCE 1960 TRACED

Madras THE HINDU in English 6 Jun 82 p 18

[Article by N. J. Yasaswy]

[Text]

**I**NTELLIGENT investors make efforts to protect their investment during times of inflation. The degree of decline of the purchasing power depends on the intensity and time span of inflation. Chart I gives the trend of decline in purchasing power of the rupee since 1960. As of May 21, 1982 the purchasing power of the rupee of 1960 came down to 23 paise. It is interesting to note from Chart I the following points:

- (a) Loss of the first 20 paise occurred in the first 4 years; the next 20 paise were lost in 2.5 years. The loss of the third 20 paise took 7 years and the loss of the next 20 paise is taking more than 8 years.
- (b) In other words in the first 4 years the rupee lost 20 paise, in the next 4 years it lost another 23.5 paise. During third and fourth periods of 4 years it lost 7 and 15.7 paise respectively. During the last 4 year period the loss was 8.2 paise.
- (c) During 1960-69 the loss was 43 paise, whereas during 1970-79 the loss was 28.5 paise. Inflation during the 1960's was more intensive than the inflation in the 1970 in spite of four-fold oil price hike.
- (d) The worst period of inflation during the last 20 years was the 4 year period between 1964-68. The best period was between 1968-72.

### Recent trend

Let us now look at the more recent trend. Chart II gives the wholesale price index since 1976 till 1982 (April), month-wise. It may be noted from this Chart that

- (a) There is a perceptible trend of seasonality in prices. Prices usually go up between March and August and decline between September and February (give or take one month either way).
- (b) For the first time in the past five years, the 1982 price line has intersected the 1981 price line indicating the zero inflation

rate over a period of 12 months.

The decline in inflation rate may be attributed to several reasons: decline in money supply, bank credit squeeze, decline in crude prices, encouraging output of foodgrains etc.

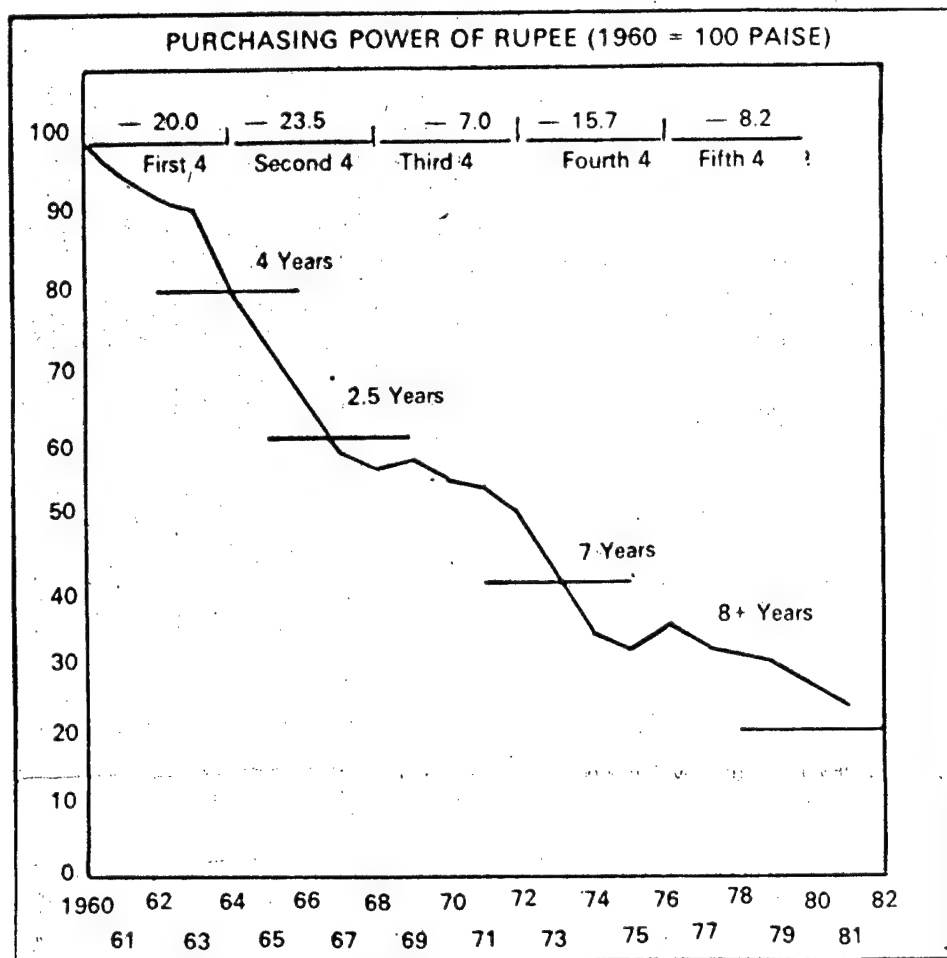
The investors should keep track of inflationary tendencies. During times of inflation the 'real' value of capital goes down. For example, Unit Trust of India issued Units for the first time in 1964-65 at face value of Rs. 10, when the purchasing power of a rupee was 80 paise. Now that the purchasing power of rupee has gone down to 23 paise, the current market value of Units (Par value: Rs. 10) should be, at least, Rs. 35 just to protect the purchasing power. But the market price of units as on April 30, 1982 was Rs. 13.40 only.

Units should not be taken as an isolated example. All fixed income investments like bank deposits, post office deposits, national savings certificates, company deposits, preference shares, debentures etc fail to protect the investors against the ravages of inflation.

The three investment opportunities which can partially, if not, fully protect investors against inflation are bullion (ie gold and silver), real estate and equity shares.

**Bullion:** Gold was available for Rs. 115 for 10 grams in 1960-61 when the purchasing power of the rupee was 100 paise. To protect the 'real' value the price of gold should be Rs. 500 now. But as it is well known, it is hovering around Rs. 1,750 per 10 grams. Similarly the price of silver in 1960-61 was Rs. 194 per kg. To take care of inflation it should now be Rs. 843. But the price of silver is now hovering around Rs. 2,675. The current markets are very much depressed compared to the prices in 1980. Even then investments in gold and silver are more than protected against inflation.

**Real estate:** Real estate values have gone up more than 10 times during the 10 years.



(The All India Consumer Price Index for Industrial Workers  
1960 = 100 is used as the deflator)

CHART I

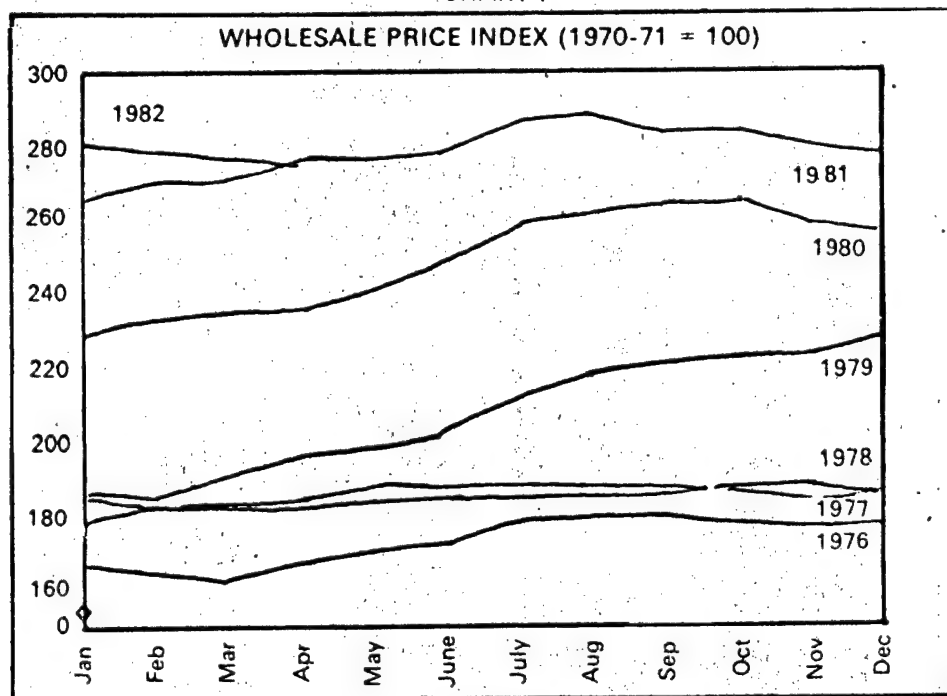


CHART II

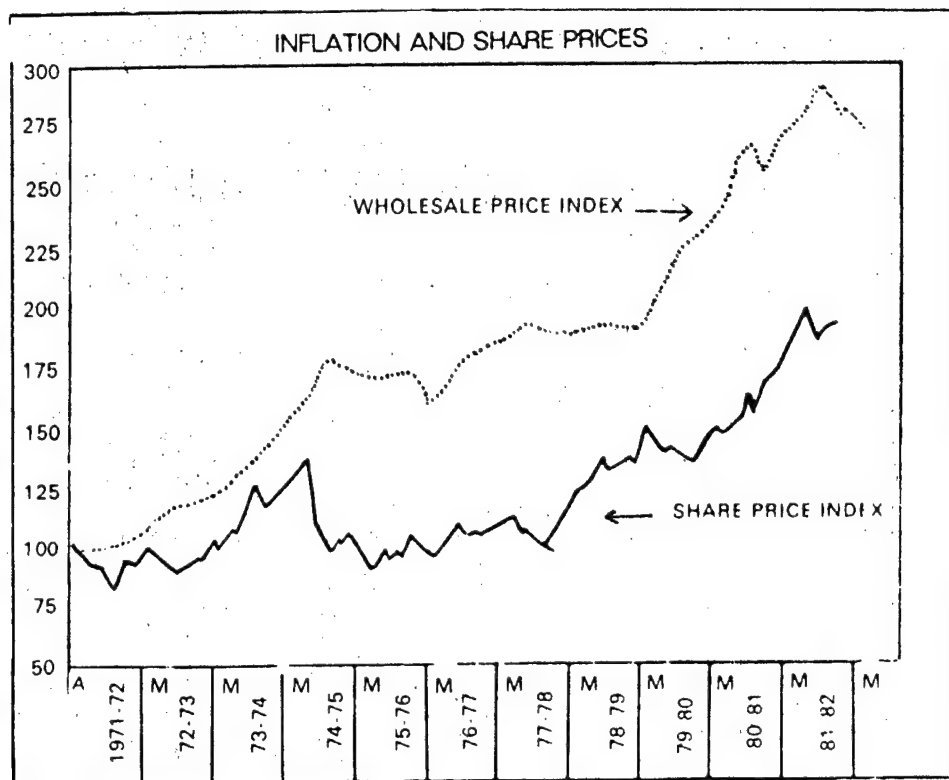


CHART III

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without exception. The urban land ceiling legislation has done more harm than good. With increasing pressure of population land values are bound to go up in future also. People have found ways and means to overcome the hurdles of land ceilings.

**Equity shares:** While investment in certain equity shares like Century, JK Synthetics, Reliance, Telco, Century Enka, Bajaj Auto etc appreciated faster than inflation, as a class equity shares provide only a partial hedge against inflation as may be seen from Chart III. The wholesale Price Index (1970=100) line was always at a higher plane compared to the RBI Index for Share Prices (1970-71=100). Though both the lines indicate a sympathetic movement, the wide gap should be noted. Chart III drives home the points: All shares are not alike. There are more laggards than blue chips. To succeed in equity shares investors should seek experts' advice and guidance.

CSO: 4220/7472



## GOVERNMENT APPROVES PARADIP STEEL PLANT

Calcutta THE STATESMAN in English 5 Jun 82 p 9

[Text]

**NEW DELHI, June 4.**—The Centre has given the green signal for launching the Paradip steel plant—which will now be located at Daitari, miles away from Paradip port in interior Orissa. This is to keep it safe against cyclones which lash Orissa's coastal areas very often. It will now be built by Mecon as the prime consultant and contractor.

Mr J. B. Patnaik Orissa's Chief Minister, said yesterday that the Union Cabinet had made the decision a few days ago—after the negotiations with the British firm, Davy McKee, to build the steel plant which had broken down.

The decision now was that India's public sector consultancy company, MECON, would undertake the project and execute the bulk of work with "limited international bidding" for certain jobs that cannot be done here.

Mr Patnaik said that the contract with Davy McKee could not be concluded because the British firm pushed up its quotation from \$2.8 billion to \$4 billion to execute the project on a turnkey basis. It was expected that the project would be completed by MECON for far less than \$4 billion. The project would also be completed in 45 months or so, as Davy McKee had promised to do.

During his four-day stay in New

Delhi, Mr Patnaik discussed the Daitari project with the Prime Minister, the Minister of State for Steel and the secretary to the Steel Ministry and "we have been assured at all levels that the steel plant is a certainty and there would be no delay whatsoever in implementing the project".

The Government of India has accepted the recommendation of the Site Selection Committee. A patch of 6,000 hectares near Daitari has been selected between the Express highway and the Jakhapura-Daitari railway line. On the request of the Government of India, the State Government has already taken steps for land acquisition through an Additional District Magistrate at Cuttack, specially appointed for this purpose.

Work on soil testing has already begun. Site levelling and site development will follow as soon as the possession of land is acquired.

CSO: 4220/7469

## BRIEFS

INDIAN UN DELEGATE--UNITED NATIONS, June 4 (UNI)--Lok Sabha Deputy Speaker G Lakshmanan has advised major nuclear weapon States against giving sophisticated arms to unstable nations, who can well do without them. Addressing the second United Nations Parliamentary Forum yesterday on the eve of the special disarmament session opening on Monday, Mr Lakshmanan said the 'prevailing dangerous global power situation' was 'further compounded by the pumping of arms into various sensitive regions, leading to regional confrontations which overtly or covertly, attract the involvement of the big power'. The Indian Parliamentarian, who chaired the opening session of the forum, told the gathering that the 'prospects of war and world peace are thus delicately poised'. He said 'a good beginning towards a de-escalation of tension would be for the major nuclear weapon states to resist the temptation of doling out arms and sophisticated war machines, on grounds of a so-called strategic concern, to unstable nations, who can well do without them.' He said the special session being organised had, once again, impelled world leaders and statesmen to take stock of the situation and come forward with meaningful contributions. [New Delhi PATRIOT in English 5 Jun 82 p 3]

BOMBAY HIGH PRODUCTION--NEW DELHI, June 5--Oil production in the Bombay High offshore oilfields hit today a record level of 251,000 barrels--a daily rate of production corresponding to about 12.5 million tonnes a year. (About seven barrels make a tonne). At this rate of production, the Oil and Natural Gas Commission (ONGC) hopes to exceed the 1982-83 production target of 12.11 million tonnes by at least a million tonnes. The Planning Commission which is giving the highest priority to accelerated oil production is expected to give its approval for a sizable step-up in the allocations for oil exploration when it completes a mid-term review of the Sixth Plan by September this year. Even at present, the Finance Ministry is meeting in a large measure the demands for funds from ONGC. [Madras THE HINDU in English 6 Jun 82 p 1]

SOVIET-AIDED RUBBER PLANT--India will set up a plant for the manufacture of synthetic rubber--butyl--with Soviet expertise and technology, reports UNI. The plant will be located at the Indian Petrochemical Limited (IPCL) complex in Baroda, Petroleum and Chemicals Minister P Shiv Shanker told newsmen in Delhi on Monday on his arrival from the Soviet Union. He said the Soviet Union had agreed to extend assistance for the manufacture of rubber. An agreement to this effect is expected to be signed soon between the two countries. [New Delhi PATRIOT in English 8 Jun 82 p 5]

LEBANON SITUATION PROTESTED--The All-India Peace and Solidarity Organisation has condemned the Israeli invasion of Southern Lebanon and said the attack had the blessings of the Reagan Administration which support and strengthen the Israeli policy of aggression, illegal occupation and colonisation of Arabs land. Expressing solidarity with PLO Chief Yasser Arafat, AIPSO in a statement on Monday said the brave people of Lebanon were fighting Israeli military might and terror. The Israeli Government, it said had condemned itself before all people and governments, who stands for freedom and peace. AIPSO said that the demand at the UN for diplomatic sanctions against Israel which was vetoed by US must be enforced to bridle the Israeli aggression. It had also urged the Indian Government to carry forward its 'widely appreciated' policy of all out support to the PLO, by closing Israeli consulate in Bombay. The statement appealed to all peace-loving organisations to express solidarity with the PLO and to demand sanctions against Israel until it unconditionally withdraws from the illegally occupied Arabs lands. [New Delhi PATRIOT in English 8 Jun 82 p 10]

INDIA-EEC MEETING--The Indo-EEC Joint Commission has decided to hold an 'investment, promotion and technology transfer conference' in New Delhi in January, 1983. The conference and three seminars preceding it in Dusseldorf, Paris and Birmingham in the month of November will be oriented towards promoting investment in and technology transfer to India in the sphere of medium and small-scale industries in such areas of technology as electronics, plastics, communications and automobiles. These are being held within the framework of the new EEC-India Economic Cooperation Agreement, and will be organised by SDR Associated of Brussels, Belgium, according to project manager J D P Whiles MacCon Namara of the Industrial and Export Development Associates, UK. Mr Whiles MacCon Namara informed newsmen on Wednesday that the conference and seminars had not objective of helping multinationals. [Text] [New Delhi PATRIOT in English 10 Jun 82 p 10]

REPRESENTATIVE IN GENEVA--NEW DELHI, June 10--Mr. Muchkund Dubey is being appointed India's permanent representative to the United Nations agencies in Geneva. Mr. Dubey is due to complete his term as India's High commissioner in Bangladesh. Mr. Dubey served with distinction in Dacca where during his tenure there were two military coups and the assassination of a President. One of his important achievements was to arrange negotiations between India and Bangladesh to settle the controversy over the New Moore Island. The two foreign ministers met here in September at a time when the relations were fouled up over the issue. An understanding was reached when there was only an interim government in office in Dacca. Mr. Dubey has considerable experience in the working of the U.N. Agencies. He served for a few years as the chairman of the committee on new economic order. He will be succeeded in Dacca by a senior foreign service official, Mr. I. P. Khosla. Mr. Deb Mukherjee, who is now a joint secretary dealing with Bangladesh and Sri Lanka, is being appointed as India's consul-General in San Francisco. [Bombay THE TIMES OF INDIA in English 11 Jun 82 p 1]

MIRZA BEG DIES--SRINAGAR, June 11--MIRZA Mohammad Afzal Beg, a former close associate of Sheikh Abudllah, died at his Rajbagh residence here today. He was 74. Mr. Beg had been ailing ever since his ouster from the cabinet and the ruling National Conference in 1978. During the past two years he was

bedridden. The end came at 4.45 p.m. He is survived by his wife, three sons and three daughters. Born in 1908 in Anantnag district in a family of modest means, Mr. Beg came up in life through sheer intellectual brilliance. During his school days he was known for his academic achievements and powerful oratory. [Text] [Bombay THE TIMES OF INDIA in English 12 Jun 82 p 1]

EXPECTED EEC AID--BRUSSELS, June 11 (PTI)--The European Economic Community (EEC) is likely to give \$50 million as aid to India this year, \$ seven million more than the 1981 level, informed sources told PTI. Agreements covering the 1981 pledge of \$43 million were signed here yesterday between the Indian ambassador to the EEC, Mr. Surjit Singh Puri, and the EEC commissioner, Mr. Edgard Pisani. Aid to India by the EEC amounted to about 29 per cent of the total 150 million ECU (European currency unit roughly equivalent to one dollar an ECU) allocated to non-associate countries. [Text] [Bombay THE TIMES OF INDIA in English 12 Jun 82 p 9]

INDIA BHUTAN BORDER TALKS--JALPAIGURI, June 13--In a three-day meeting of the Indo-Bhutan officials, held at Thimphu, the capital of Bhutan, which ended on June 10, the demarcation of border-pillars and their repair and maintenance, illegal trade and crimes along the Indo-Bhutan border were discussed. Mr G. Balagopal, Deputy Commissioner, and Mr J. J. Tharayil, Superintendent of Police, Jalpaiguri, represented the Indian side, while Mr Dungdha, Chief of Royal Bhutan Police, and Mr C. Narbu, Director, Ministry of Home Affairs, Bhutan, represented the Bhutanese side. The meeting decided among other things, joint inspection of the two countries' boundary pillars and necessary measures, as per the Indo-Bhutan agreement of 1974, to curb border crimes and illegal trade in the border areas. On the problem of loss of Indian revenue on account of illegal sale of liquor, Bhutanese officials assured that since the Bhutanese military authorities have taken over the liquor manufacture and trade, this problem would be controlled very soon. Indian officials also suggested that free movement of Indian cattle for consumption in Bhutan be regulated, in order to protect the Indian cattle wealth and that large-scale purchase of Indian cattle, by various intermediaries be also regulated. [Text] [Calcutta THE STATESMAN in English 14 Jun 82 p 9]

MAHARASHTRA CABINET CHANGES--BOMBAY, June 4--The finance and planning portfolios have been taken away from Dr. Shrikant Jichkar, minister of state, and given to Mr. Ravindra Raut, another minister of state. In turn, the portfolios of information and public relations, held by Mr. Raut, have been transferred to Dr. Jichkar, it was announced today. Dr. Jichkar, however, will continue to hold two other important portfolios, home and revenue. It was apparently a heavy burden of him to hold charge of so many important departments. Dr. Jichkar is considered very close to the chief minister, Mr. Babasaheb Bhosale, Mr. Raut on the other hand is close to Mr. A. R. Antulay. Both hail from Raigad district. Mr. Raut had vacated his assembly seat of Srivardhan in 1980 to enable Mr. Antulay to contest the election. Mr. Raut will continue to be in charge of some other departments like dairy development, energy and fisheries. [Text] [Bombay THE TIMES OF INDIA in English 5 Jun 82 p 1]

CSO: 4220/7497

# JAPAN PROVIDES AID FOR TEACHING HOSPITAL

Kathmandu THE RISING NEPAL in English 7 Jul 82 p 1

[Text]

Kathmandu, July 6:

Nepal and Japan today signed an agreement under which the latter is to provide grant assistance of 97 million rupees for the second phase of the Teaching Hospital project being implemented under the grant assistance programme of Japan.

The first phase of the project has already been implemented in Maharajgunj under an agreement concluded between the two governments in September last year.

Under the first phase of the project construction of an Out Patient Department and administrative buildings of the hospital was initiated under the Institute of Medicine of the Tribhuvan University. The project is reported to have recorded good progress and is expected to be complete in March next year.

The agreement for the second phase concluded today encompasses the construction of an operation building, a ward and supplementary facilities of the hospital.

The amount of assistance is also to be spent on the procurement of necessary equipment including their transportation and installation in the hospital premises.

His Majesty's Government's share in the project includes the provision of necessary land and other facilities for the completion and operation of the hospital.

According to well informed Japanese sources, the Teaching Hospital project is the single biggest project Japan is undertaking in Nepal.

Work on the second phase is expected to be

complete in March 1984.

The agreement was signed today by the Finance Secretary Mr. Karna Dhoj Adhikary on behalf of His Majesty's Government and by the Japanese Ambassador to Nepal Mr. Menichiro Nishizawa on behalf of his government.

Speaking after the signing ceremony, Secretary Adhikary noted that completion of the hospital project would provide Nepal facilities for efficient medical services to people.

He also pointed out that the amount of assistance, would greatly help Nepal finance its development projects.

He said that apart from financial assistance, the technical assistance provided to it by Japan had significantly contributed towards building the Kingdom's own manpower in different fields.

Ambassador Nishizawa expressed satisfaction over the progress recorded by the first phase of the project and hoped that similar cooperation would be forthcoming in the second phase too.

He said that the hospital project would greatly contribute to provide better medical services to the people in addition to providing educational opportunities to students.

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MPs QUESTION WISDOM OF THAI INVOLVEMENT IN KHMER COALITION

Democrat Leader From Udorn Thani

Bangkok SIAM RAT in THai 23 Jun 82 pp 1, 12

[Article: "MPs Join Together In Asking Government to Explain Involvement In the Formation of the Khmer Coalition"]

[Text] MPs have begun to take action. They may sign a petition asking the government to quickly explain why it has carried on an international diplomatic policy that has resulted in the country facing a military confrontation with foreign countries. They have pointed out that "we do not want the country to be put in a position where it might have to go to war."

Yesterday, in his capacity as a member of the executive committee of the National Democracy Party, Mr Prayun Suraniwong, an MP from Udorn Thani, granted an interview to SIAM RAT. He said that, concerning the matter of the Thai government carrying on an international diplomatic policy that has resulted in Thailand facing a military confrontation with foreign countries, which has resulted from the attempt to unite the three Khmer groups that oppose Vietnam, he wants the government to quickly explain this matter to parliament.

This member of the executive committee of the National Democracy Party said in the interview that the senators and MPs must share responsibility for the decisions of the government "because this decision could risk getting the country into a war, which would directly affect the country."

Mr Prayun said that, based on his analysis of matters, the fact that Thailand has progressed to this stage "means that the Thai government is ready for a military confrontation." He emphasized that the government must quickly explain things "because this is a matter of life and death for the country."

This member of the National Democracy Party's executive committee also said that, concerning the "open letter" that SIAM RAT printed last Monday protesting the government's diplomatic role in this, "I read this 'letter' and the ideas expressed in it are of great value to the country."

The MP from Udon Thani said that he had listened to what the foreign ministers of the Philippines and Indonesia had said. "What they have said clearly shows that they were not involved in exerting pressure." And Malaysia "does not support the weapons matter." If the Thai government gets involved in this, it will "mean that we will have to take full responsibility for increasing the strength of the Khmer coalition government." And they may sign a petition requesting the government to quickly explain this matter during this week's meeting of parliament.

Foreign Affairs Committee Opposition MP

Bangkok MATICHON in Thai 9 Jun 82 p 3

[Article: "Opposition Questions Sitthi's Actions On Khmer Problem"]

[Text] Anan Buranawanit revealed his opposition to Sitthi Sawetsila's role in the Kampuchean affair, saying that this was like putting a rope around the neck of a cat.

Mr Anan Buranawanit, an Mp from Saraburi who is a member of the Santitham Party and who is the secretary of the Foreign Affairs Committee, discussed the matter of Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, attending the Asean ministers' conference in Singapore on 15 June. He said that he is concerned about the foreign policy of Air Chief Marshal Sitthi, particularly concerning the situation in Kampuchea. That is, nothing will be gained by bringing this matter up again. Some of the Asean countries may oppose this because, actually, Asean was originally formed to cooperate on the food and energy fronts and not on the political or military fronts. Thus, caaution should be exercised in this matter.

"Our foreign policy is beginning to drift off course. This will cause other countries to think that Thailand is interfering in the affairs of other countries. For example, Air Chief Marshal Sitthi going to meet with Prince Norodom Sihanouk in order to unite the three Khmer factions is like putting a rope around the neck of a cat. And the three Khmer groups cannot unite. Things will be difficult if a war breaks out because it will be charged that this happened because Thailand secretly provided help," said Mr Anan. He said that the way to solve this problem is to let the Khmer Rouge government, which is recognized by the United Nations, inform the United Nations. The Asean countries should exert pressure on the United Nations to act accordingly.

Mr Anan also said that, recently, the opposition parties discussed matters, and they feel that the policy of the Ministry of Foreign Affairs should be discussed in parliament in the form of submitting a special motion.

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THAILAND

DRAFT EVASION, DESERTION WIDESPREAD; MP URGES AMNESTY

Bangkok SAO SIAM in Thai 5 Jun 82 pp 3, 10

[Article: "Pardon the More Than 100,000 Deserters"]

[Text] Police Lieutenant Chaowarin Latthasaksiri, an MP from Ratchaburi, revealed that he has drafted an act to grant amnesty to and pardon deserters on the occasion of the 200th Rattanakosin celebrations. His reason is that, at present, many Thai men must become soldiers every year in accord with the draft stipulations and once they have become soldiers, they desert. This may be because they do not want to be soldiers or they may have family problems.

The MP from Ratchaburi stated that there are probably at least 100,000 Thai men in this category throughout the country. He feels that since the government has already pardoned many suspects in various cases on the occasion of the 200th Rattanakosin celebrations, it should also grant amnesty to these draftees who have deserted.

As for this draft act, it was submitted to Mr Marut Bunnak, the minister of justice, on 13 January 1982. The government feels that this is good but it should be kept concealed for now since it is feared that if this is implemented, more of the Thai men who must enter the military this year will evade the draft.

The MP from Ratchaburi stated that the draft act to grant amnesty to the draftees was to have been considered by the House of Representatives, but there will be a no-confidence debate on ministers and so it is understood that the decision on this draft act will be postponed until the next session of parliament.

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GEN HAN CITES NEED FOR MILITARY INVOLVEMENT IN POLITICS

Bangkok DAO SIAM in Thai 8 Jun 82 pp 3, 12

[Article: Politicians Like to Become Alarmed"]

[Text] Lieutenant General Han Linanon, the commanding general of the Fourth Army Area, talked about why the Thai army must study and involve itself in politics. He said that this is because the army cannot allow the politicians to play games, acting as if they are afraid of the changes in society, in ways that the people do not like. In the end, the army must step in and solve the nations's problems before the country collapses.

This is an excerpt from the writings of Lieutenant General Han Linanon concernin the Thai army. He has also said that the fact that the army must become involved in politics is a weakness because if it acts incorrectly, this will destroy the army and destroy the army's image. The army is composed of armed men and they are frequently accused of being the ones who have destroyed democracy and torn up the constitution and of being dictators. This is unfair to the soldiers and army because, in the past, some of those civilians who have headed the government have governed the country in a more dictatorial way than the military has ever done. Thus, it is incorrect to say that a government headed by a military man must be a dictatorship.

The commanding general of the Fourth Army Area also said that, at present, the administrative system is not a perfect democracy and there is the CPT situation. Thus, it is the army's duty to solve the problems and prevent the institutions of the nation from being destroyed. He said that the communist revolutionary war started because of the political, economic and social degeneration. If the government cannot solve these problems, the communists will be the ones to solve them. At present, the communists are competing with the government in solving the problems. The side that solves the problems first will be the side that wins. It is this situation that has made it necessary for the military to get involved in politics. Those who appeal for the military to stay out of politics have probably overlooked this.

However, concerning the fact that the army has involved itself in politics, care must be taken that it does not become the tool of the politicians. Otherwise, there will be splits in the army, there will be a lack of discipline and a system will arise in which junior officers have higher political positions

than the senior officers. If this happens, the army will not be an army. Thus, if the army involves itself in politics in a systematic way and there is unity in the army, the fight to defeat the communists will end quickly and the problems of the nation in general will be solved too.

In his article, the commanding general of the Fourth Army Area summarized things by saying that, in practice, the army has stood side by side with the people in the rural areas to help solve the problems, relieve the suffering and serve the people for many years now. They are really soldiers of the people. In 1975, the soldiers in the army developed their thinking along democratic lines in order to guard the interests of the people in general. At presnet, this thinking has grown stronger. And it is felt that since the army has correct thinking along democratic lines, it can increase the stability of the government in a democratic system and make it permanently secure.

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EX-SOCIALIST MP ASSESSES PARTY'S FUTURE PROSPECTS

Bangkok PHYA KHRUT in Thai 23 Jun 82 p 3

["Six October" column: "The Image of the Political Parties"]

[Text] What has become of the Socialist Party of Thailand?

If this question is asked, many people will probably answer that Thailand's socialist party that called itself the Socialist Party of Thailand has not disappeared but has dissolved itself and become the Social Democracy Party of today.

The leader of the Social Democracy Party, Colonel Somkhit Sirisangkham, was the leader of the Socialist Party of Thailand.

Some people may reply that the Socialist Party of Thailand disappeared into the jungle. After the events of 6 October 1976, almost all of the members of the executive committee fled into the jungle and announced that they were establishing a party in the jungle that was part of the united front of the CPT. But a short time later, the members of the Socialist Party returned from the jungle and announced that they were no longer part of the communist united front.

"The reason that we had the Socialist Party of Thailand become a part of the CPT's united front at that time was that 25 of the 30 members of the party's executive committee fled into the jungle," said Mr Chamni Sakset, a former member of the executive committee of the Socialist Party of Thailand and a former MP from Nakon Sithammarat Province.

"But when we left the jungle, we announced that we had ceased being a part of the CPT's united front," added Mr Chamni.

And does the Socialist Party still exist?

"Yes. The original socialist group is still intact. But we will not play a very large role since the present political situation is not very favorable. The present parliamentary system in Thailand is not open enough to allow such parties to play politics fully," said Mr Chamni.

This former member of the executive committee of the Socialist Party of Thailand discussed the party's mistakes in that former period. He said that "previously, we talked about socialism based on a love for justice. For example, we felt that the problems of the farmers and laborers had to be solved, but we did not talk about how socialism was to solve the long-term social problems."

Mr Chamni admitted that "this was our weakness in the past. After we made this start, we could not set a definite course in the fight."

Mr Chamni, who plans to run for election again, although not in the name of the original socialist party, also admitted that the original socialist party was established by young men who were shaped by the political changes of 14 October 1973.

"We must admit that we were very naive as far as political tactics were concerned, even though we had good political ideas," said Mr Chamni.

Mr Chamni also said that, this July, he will go observe the election in Sweden, where they have a socialist system of government. He will probably meet with socialist leaders from all over the world.

During his trip, Mr Chamni hopes to learn about concrete methods and see the new changes in socialist circles in order to improve methods in Thailand.

Mr Chamni confirmed that "in the next election, we will probably not run for election. But we must certainly do something to show that we have a part to play in building democracy."

We would like to see socialism develop and become more secure, even if this takes time. And people should understand that socialism is not communism.

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MON INSURGENT INFRASTRUCTURE ALONG BURMA BORDER DESCRIBED

Bangkok MATICHON in Thai 6-12 Jun 82 pp 14-17

[Article by Rungrueng Prichakun: "Mons Quietly Take Over Thung Kang Yang. They Are an Independent State"]

[Text] At the end of last January, the government of General Prem Tinsulanon decided to use resolute and top secret measures to eliminate the forces of Khun Sa and drive them out of the Ban Hin Taek (Thoetthai) area in Mae Chan District, Chiang Rai Province.

Not only did this sweep operation reduce the influence of Khun sa, it also resulted in appeals being made for a review of the policies of several past governments, which hoped to use the minority forces living along the border as buffer states.

Finally, General Saiyut Keotphon, the supreme commander, had to announce that Thailand would not use the minority groups, or others, as buffers.

Even so, there are still minority group forces here, especially along the Thai-Burmese border.

The Mons Are Not Homeless Because They Are Living In Thailand

Of these various minority groups, it seems that the Mons are going to be the ones that will create the greatest problem and that the government will have to give urgent attention to.

At present, more than 30,000 Mons are living in Thailand near the Thai-Burmese border. They are living in the western part of Kanchanaburi Province in three of this province's districts -- Sangkhala Buri, Thong Pha Phum and Sai Yok.

Who Is Who Among the Mons?

Of these 30,000 Mons, almost 2,000 are under arms.

Of these, one group is directly under the command of Mr Nola, or Chinu, who has a large camp at "Nam Kroek." This is almost 20 kilometers northwest of Sangkhala Buri District.

Another group is under the command of Mr Suaichin, who has established a camp in Thailand behind Wat Wang Wiwekaram of Abbot Uttama. It is well known that these armed forces of Mr Suaichin are under the leadership, or administration, of Abbot Uttama.

"Originally, the groups of Mr Suaichin and Mr Nola formed one group," said an ISOC official in Kanchanaburi.

He also said that "later on, the profits from collecting illegal taxes grew greatly and each group grew suspicious of the other. Finally, they split apart in June 1980. Nola carried out a coup and seized power from Suaichin. Suaichin had to flee and so he set up a camp behind the temple of Abbot Uttama.

Where Did the Mons Come From and What Are They Doing?

"Most of the Mons living in Sangkhala Buri and Thong Pha Phum districts migrated here from Burma 30-40 years ago. Their children are like Thais," said a Sangkhala Buri administrative official to MATICHON.

"Some of these people work as farmers, some are like coolies and some work in the mines. But most are farmers."

Concerning the Mons who live in these three districts, few of the unarmed Mons who live in Sangkhala Buri and Thong Pha Phum districts pose a problem and few of them have created problems for the Thais or government officials there.

The Mons who pose a problem and who are talked about most often are those who live in Sai Yok District in the "Thung Kang Yang" area. There are more than 5,000 Mons there. Recently, a major daily newspaper printed a story about this problem. The headline said:

"Burma has launched a quiet invasion and occupied Thai territory. It has set up an independent state in the Kanchanaburi border area."

This is because of the fact that the Mons who live here have state power and their own administration. These Mons who do something wrong are punished in accord with their laws. Thai laws have no effect there.

Thung Kang Yang In 1955

Thung Kang Yang is located almost 100 kilometers from Kanchanaburi or almost 400 kilometers from Bangkok.

Before the Mons moved here, the area was a mixed forest in a military reserve, in accord with a royal decree that had designated this as a closed area.

In 1955, Mr Wichai Lochaya, a former MP from Lampang Province took possession of this area in order to make a living from such activities as growing coconut, raising livestock and so on.

Some news reports observed that the real agricultural activity engaged in by Mr Wichai Lochaya was the cultivation of poppies. He received support from Phao Siyanon, the then director-general of the Police Department and the person who once said that "there is nothing in Thailand that the Thai police cannot do."

From Wichai Lochaya to Phayap Pinsukanchana

In 1957, Mr Wichai Lochaya transferred ownership of this land to Mr Chaiyot, or Mr Phayap, Pinsukanchana, who continued to carry on these activities. Mr Chaiyot carried on these activities in the form of the Phra Chedi Farm Company and the P. and T. Import-Export Company Ltd.

A news source from the Ministry of Interior said that this Mr Chaiyot was once an officer in the 93rd KMT Division. His name was Major To Lao. Later on, he took Thai citizenship.

At present, in addition to the agricultural activities carried on at Thung Kang Yang, he is also engaged in many other major business activities, for example, the Sam Chai Company in the Wang Burapha area, which is a company that sells radio equipment.

Profuse Agricultural Activities

When Mr Chaiyot first took over from Mr Wichai, only about 1,000 rai of this land had been reclaimed. When Mr Chaiyot took over, he started planting all types of vegetables and fruits. Now, the area under cultivation has expanded to 46,250 rai.

The number of Mons working here has increased from 200 to 5,000.

He later shifted from growing fruit to growing ginger for pickling and export. Instead of using pickaxes and spades, he introduced modern hoes. And he hired specialists from Taiwan to come serve as advisors.

Customs Department statistics for 1978 show that Mr Chaiyot exported more than 6,000 tons of pickled ginger to Japan, the value of which was several hundred million baht.

Great Profits; the Mon Community Has Expanded

Mr Chaiyot has allotted each Mon 10 rai for their personal use. When they sell their farm produce, they must give Mr Chaiyot 20 percent. Usually, they sell their produce to Mr Chaiyot. If they don't sell, they are pressured to do so. Those who are stubborn cannot live at Thung Kang Yang.



Mons who have much money usually deposit it at the Thung Kang Yang Religious Office, which has Monk [Words missing]. Actually, the Mons who live in this area have created both local and national problems.

At the local level, their activities have resulted in the Thais who are trying to make a living there lacking land since the Mons have occupied most of the land.

A Mon is the abbot of the wat and at the wat is a school, which is under the control of the provincial primary school office. And the head doctor at the Thung Kang Yang hospital is a Mon.

An official from Kanchanaburi said that Mr Chaiyot began paying local improvement taxes to the government in 1966. That year, he paid approximately 1,000 baht. During the period 1974 to 1978, he paid 6,900 baht a year. Since 1979, Mr Chaiot has not paid any taxes, claiming that he has been losing money on his activities and that he has had to close down his pickled ginger factory.

Mons Govern Mons. What Do They Do?

All the Mons living in Thung Kang Yang are governed by a village committee composed of nine Mons. Mr Yen Rochaya is the person who oversees activities and maintains order. Mr Bayu Suwannaphum is the economic administrator.

This nine-member committee is responsible for issuing village regulations and orders. If someone violates the regulations, he is punished in accord with the seriousness of the violation. For example, if someone violates the order prohibiting the use of drugs, he is kept in the railroad car, which serves as a prison, for 24 hours. People who gamble are locked up for 48 hours. Those who have more than one wife or who have an illegitimate child are [words missing].

If a person tries to reclaim land in the farming area of Mr Chaiyot, he will be persecuted in various ways and obstructed to the point where he cannot get into that area.

The Great Power of the Mons

One administrative official said that "when they encountered this, the villagers appealed to the officials to find land for them to work. When Mr Yen Rochaya learned about this and after the government officials left, he brought in Mon policemen under his control and Mon farm workers and gave them rifles to threaten [the people]. Sometimes, he had tractors driven over the crops of those villagers, which ruined their crops."

This official also said that instead of restraining his men, he actually encouraged them, claiming that these villagers had encroached on his property. They were driven out of the village. The thieves were driven out of Sai Yok District. The greater the crime, the greater the penalty. And some have even been killed.

### Mon Policemen Have Forbidden Outsiders From Coming In

"Since I started working here as a government official, I have seen many Mons die in the railroad car jail," said a Kanchanaburi provincial official. "Even though I saw this, I didn't know what to do to help them because they were acting in accord with their laws. Thai laws are not in effect here."

Thung Kang Yang has its own Mon policemen who keep outsiders from entering at night.

In addition to the nine-man administrative committee, administrative power is further decentralized. For every three families, there is one leader. And at the next higher level, which is composed of nine families, there is another administrative leader. It is this leader who is directly responsible to the nine-man village administrative committee.

### When the Mons Encroach, the Thais Disperse

If we take a superficial look at this situation, it seems nice that they govern and look after themselves since this will enable the Thais in that area to earn a living and live there contentedly. [Words illegible], which they must rent from the National Security Command Headquarters.

"When we, who are officials, encounter such a claim, we do not know how to help because such encroachment on the land is illegal," he said in a discouraged way.

### Thung Kang Yang, the Mon Rear Area

As for the national level problems, these affect Thailand's security in general, and the government should show a special interest in them. At present, Thung Kang Yang is like a rear area that the Mons use to stockpile supplies. They also carry on weapons training in order to send the men to reinforce the forces that are carrying on a war of liberation in Burma.

The ISOC official in Kanchanaburi Province said that besides using Thung Kang Yang as a rear area, the Mons are also using the area as a center to coordinate their various activities. For example, they use it as a meeting place for the leaders of various national liberation forces. It is a rest stop in transporting opium and war weapons. It is believed that the command center is located at a wat in the Yanawa area in Bangkok.

"During the period when Nola and Suaichin fought each other, Colonel Suaichai, the commander of the 7th Division of the Free Karen Army of General Bomia, used Thung Kang Yang to hold negotiations for an armistice," said this same official. "The thing that we are worried about is that the armed forces of Nola will coordinate things with the communist terrorists in Sangkhala Buri District. Mr. Yuphe, a Karen, is their leader. If these Mons seize Thung Kang Yang, it is not certain what will happen since it is less than 400 kilometers from Thung Kang Yang to Bangkok."

## Expelling the Mons, What Is the Problem?

A high-ranking official in Kanchanaburi Province told MATICHON that, concerning these problems, officials at both the local and policy-making levels are well aware of the fact that the only way to solve the problems is to expel the Mons from Thailand.

"But the problem is, if we expel them, where will we send them to," said this official. "When the officials turn their backs, they will just sneak back in since both the land and the economic situation here are better than in Burma. And the Burmese government cannot control the area across the border from Thailand."

He also said that another reason why the officials cannot expel the Mons is that whenever the officials try to take action, Mr Chaiyot Pinsukanchana asks that things be eased since his company lacks Thai laborers and his company makes profits for Thailand by exporting agricultural products, which helps reduce the trade deficit by several million baht each year.

"Actually, if Mr Chaiyot was someone else, the officials would not put up with this," said one villager. "But they do so because Mr Chaiyot has many high-ranking people supporting him. People say that General Kriangsak Chamanan, Air Chief Marshal Thawee Chunlasap, General Chaweng Yangcharoen and three or four others have quietly invested money with Mr Chaiyot. Thus, the officials do not dare do anything."

## How Are Government Officials Involved?

Another cause of these problems that is not often mentioned is that both administrative and police officials have been negligent in their duties. Checkpoints have been set up at various points all the way from Sangkhala Buri to Sai Yok.

These officials have not been very strict. Rather, they have used the power invested in them by the law to make illegal profits by collecting transit fees from the Mons. They collect 30-100 baht per person.

This is the reason that Mons can easily enter Thailand if they have the money to pay the officials.

## The Way to Set Up Camps to Expel the Mon Refugees.

At this stage, if the government cannot find a way to solve this problem or expel the Mons from Thailand, wouldn't it be a good idea to find a spot to build a camp for them just like those for the Khmer refugees along the Thai-Kampuchean border in Prachinburi?

If this is done, not only will it be possible to limit the zone for the Mons but it should also be possible to ask for money from foreign countires or various charitable organizations to provide support.

If nothing is done, I do not know what will hpapen. But I am just afraid that when Bangkok is 250 years old, it will be the capital of the Mons.

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SPECIAL BRANCH CHIEF CLAIMS EVIDENCE OF MERCENARY RECRUITMENT FOR IRAQ

Bangkok MATICHON in Thai 4 Jun 82 pp 1, 12

[Article: "Police Obtain Evidence of Mercenary Recruitment"]

[Text] The commander of the Special Branch Division has obtained evidence that employment agencies that find foreign employment for people are sending Thai workers to serve as mercenaries in Iraq. Most are in the northeast and north. An MP from Chiang Rai has disclosed that a large company in the middle of the city will send a new group on 12 July.

Police Major General Ophat Rattanasin, the commander of the Special Branch Division, talked about the matter of private companies recruiting Thai workers to go serve as mercenaries in the Middle East. He said that this is presently under investigation and he asked for 2 more weeks. The investigation so far has revealed that mercenaries really have been recruited. But these companies are located in the provinces; there are none in Bangkok. Most of those that have been discovered are in the northeast and the north.

"There are approximately two to three companies. I cannot reveal their names since this would alert them. But it is understood that they do not recruit people to serve as mercenaries directly. They recruit them to work in combat areas such as at airports or at oil storage dumps. When fighting breaks out, these workers must all take up arms and implicitly serve as soldiers," said Police Major General Ophat.

A reporter asked whether these companies that recruit such people are in violation of the law. Police Major General Ophat said that this is not good from the standpoint of international relations since Thai workers can still go work elsewhere. In particular, it is expected that more than 300,000 Thai workers will be working in Saudi Arabia in 1982.

"Those who go to Saudi Arabia have little to worry about. But those who go to Iraq or Iran must be careful. However, at present, very few people are applying to go work in Iraq. More than 95 percent are going to Saudi Arabia. As for closing these employment agencies, that is a matter for the Labor Department to decide," said police Major General Ophat.

Police Major General Ophat said that, concerning investigating the backgrounds of those workers who want to go work in the Middle East, at present, approximately 800-1,000 people can be processed each day. At least 20 companies can be handled each day. The forms are not processed on the basis of which company submitted them but on the basis of order of submission.

"If anyone has proof that people must pay officials in order to have their case processed first, they should inform [my office]. People shouldn't talk like this idly since this is damaging to both the officials and the companies," said Police Major General Ophat.

Master Sergeant Songtham Panyadi, an MP from Chiang Rai and a member of the National Democracy Party, took leaflets and distributed them in parliament on the morning of 3 June. The leaflets mentioned the Itthiphon and Friends Company, which has recruited Thai workers to go fight in Iraq. It also mentioned the interview given by Seri Pramot, an advisor to the company, who told MATICHON that there are questions about why MPs have brought up this matter.

"Before I left to attend the conference in parliament, many young villagers approximately 25-30 years old came and asked me about volunteering to go fight in Iraq and the head of the veterans in Chiang Rai telephoned me and said that many reservists and veterans had asked about this," said Master Sergeant Songtham.

Master Sergeant Songtham said that he had asked the Chiang Rai provincial police superintendent about this and had learned that the companies had only recruited workers to go work as guards at airports and oil storage dumps. Now, the company has sent the documents of the 200 applicants, including their house registrations, reservist papers and other documents, to a company in Bangkok. The name of the company is the Thai Service Company. It is located at 1/23 Sukhumwit, Soi 30. Mr Chaichana, whose last name is not known, is the manager.

"I learned that the company will send a group from Thailand on 12 July. I have disclosed this because I am an MP. If they are really recruiting people to go work, I have nothing against this. But if they are recruiting them to go fight, this will affect international relations and so it is my duty to follow this matter," said Master Sergeant Songtham.

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STAGNANT PADDY PRODUCTIVITY CAUSES CONCERN

Bangkok MATICHON in Thai 8 Jun 82 p 3

[Article: "New Rice Varieties Readied to Guard Against Reduced Yields"]

[Text] The Department of Agricultural Techniques is readying new rice varieties to keep the yields per rai from declining.

Mr Phadoem Thitathan, the director-general of the Department of Agricultural Techniques, talked about Thailand's production of rice from former times to the present. He said that rice yields per rai have not increased. Concerning this, the Department of Agricultural Techniques has not sat by idly but has prepared 19 varieties of rice for introduction and distribution to the farmers. Along with this, it has introduced techniques to solve the problems in order to keep yields from falling. Matters will be submitted to the minister of agriculture and cooperatives for presentation to the government.

Mr Phadoem stated that, in 1953, throughout the country, a total of 46 million rai were planted in rice. There were 28 million rai in the northern, central and southern regions. There were 14 million rai in the northeast, which was one-third of the total area planted in rice. But later on the area planted in rice increased to 58 million rai, with the area in the northeast increasing to 29 million rai, which was half of the total area.

Mr Phadoem stated that because the soil in the northeast is sandy soil, the yields per rai are low, averaging 8-9 tang [1 tang equals 20 liters] per rai. Even when fertilizer is used, the yields do not reach 20 tang per rai.

"This is a very disturbing matter. Even though modern technology has been used to provide help, the yields have not increased. The government must give attention to this and have the farmers grow other types of crops instead. As for the central region, the soil is fertile and the area under cultivation must not be reduced," stated Mr Phadoem. He also said that in the central region, yields reach 50-60 tang per rai. At present, the area under cultivation here is decreasing every year. There is only 5.3 million rai left now.

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LEGAL STATUS OF THAI-VIETNAMESE REFUGEES QUESTIONED

Children of Thai-Vietnamese Parents

Bangkok MATICHON in Thai 7 Jun 82 pp 1, 12

[Article: "Loopholes In the Vietnamese Control Law Pointed Out. There Are Fears That This Will Lead to Protests"]

[Text] It has been revealed that the new Vietnamese refugee control law that prohibits marriages and that denies citizenship to the children of Vietnamese fathers has loopholes that those responsible do not dare correct since they fear that this will give rise to protests.

A news source has talked to MATICHON about the draft law that controls marriages and that denies citizenship to Vietnamese children whose mothers are Thai. This draft law is presently being considered by a committee of the National Security Council. The news source stated that this draft law has loopholes that will result in the controls being totally ineffective. This is because this committee does not dare enact a clear law that would deny citizenship to the children of Thai women who are married to Vietnamese men. This is because of the fear that this would also affect people of other nationalities and it might lead to protests.

The news source said that, concerning this matter, lawyers from the Ministry of Justice had once objected and asked that a clear law be enacted in order to prevent problems from arising later on, such as people filing suit to obtain Thai citizenship. The courts must rule that children who were born in Thailand, who have Thai mothers and who do not have a father must be granted Thai citizenship just like their mother. But the military does not agree.

"If those are the results that are desired, a law to that effect must be enacted. They have said that this would violate many legal principles. We have said that if such a law cannot be enacted, other measures must be found. The courts cannot be forced to make such a ruling. They have filed many such suits and the courts have had to rule that they are Thais," said one news source. And he said that the military becomes angry when it is given such counteropinions. In the end, it has submitted the problem to the Legislative Committee for discussion in order to see if the results will be in line with



what the court ordered. And it has been very disappointed when the Legislative Committee ruled exactly as the court had done.

"This has happened many times in many civil courts," said the news source, adding that consideration was once given to enacting a law forbidding Vietnamese from marrying Thais. But in the end, no such law was enacted because it was feared that this would violate the Declaration of Human Rights.

"The Ministry of Foreign Affairs did not dare do this and since it did not dare do this, how can we make a 'fuss' about this. Since it has not dared do this, the courts cannot be forced to make the rulings they want. This is a difficult matter. Some people just talk; they don't dare take action," said this news source.

Furthermore, concerning this law, what will happen in the end is that it will be promulgated in such a form that will allow the officials concerned to drag out the inspection of the various documents in giving permission to obtain a marriage license or in granting citizenship to children.

"This has been under consideration for almost 6 months now and nothing has been accomplished. Once things are concluded here, it must be submitted to the cabinet and then pass the Legislative [Committee]. Before it can be enacted, the term of the present parliament will expire. There will be another meeting this week but nothing will be accomplished. During this period, the courts must rule in accord with juridical precedents," stated this news source in conclusion.

#### Prasong Discourages Marriages, Threatens Deportation

Bangkok MATICHON in Thai 3 Jun 82 pp 1, 12

[Article: "Thai Men Warned That Those With Vietnamese Wives Face Separation"]

[Text] The secretary-general of the National Security Council has warned those men who want to marry a Vietnamese woman. They will have trouble later on because the woman will be deported and their children will not have the right to become Thai citizens. Preparations are being made to propose a law that will close the various loopholes.

Lieutenant-Commander Prasong Sunsiri, the secretary-general of the National Security Council, was interviewed by reporters at parliament on 2 June concerning the matter of Vietnamese refugees filing suit in court to be allowed to obtain a marriage license to marry Thais, a matter that has been in the news. He said that he would first like to make it understood that concerning those who come to live in Thailand illegally, we have allowed them to live here only temporarily and they will have to leave some day. This includes both those Vietnamese refugees who arrived a long time ago and those who arrived more recently. But because they have lived here for a long time, the Vietnamese refugees think that they have the same rights as Thais.

"I would like to warn those who marry Vietnamese refugees that they will someday face hardships because their spouse will be deported in the future. Marriages conducted in accord with the civil laws will not affect nationality and the children will not have the right to have Thai citizenship. This is because Revolutionary Council Announcement No 337 states that the children of people who enter the country illegally do not have the right to obtain Thai citizenship," said Lieutenant-Commander Prasong.

Lieutenant-Commander Prasong pointed out that the National Security Council has studied the Vietnamese refugee problem for a long time and has made preparations to draft a control law suited to the present situation and close the loopholes in the old law, which was implemented during a period in which there was no refugee problem or illegal entry into the country. Matters concerning control zones, the people involved with travel and property ownership have been stipulated. This draft law will soon be submitted to the cabinet and then sent to parliament for consideration.

As for there being Vietnamese in government service, Lieutenant-Commander Prasong stated that there are Vietnamese in government service since there are Vietnamese living here who entered the country legally. However, this problem must be solved since there are legal standards.

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INFANT MORTALITY RATE HIGH

Bagnkok DAO SIAM in Thai 11 Jun 82 pp 3, 12

[Article: "Quick Action Must Be Taken to Lower Morality Rate For Thai Infants"]

[Text] The Ministry of Public Health has stated that Thailand's health activities for mothers and infants are very backward as compared with other countries in Asia. The mortality rate for mothers and infants is still rather high. Thus, the Ministry of Public Health has joined with the Faculty of Medicine and the Institute of Health Research, Chulalongkorn University, in holding a seminar on "Developing Mother and Infant Health Activities In Order to Lower the Population Growth Rate." The seminar will continue from today through 11 June 1982 at the Railway Hotel in Hua Hin, Prachuap Khirikhan.

The Ministry of Public Health has stated that this seminar is being held because it is felt that the important task that must be done along with family planning is mother and infant health work. But while the family planning activities have been proceeding well, Thailand's mother and infant health activities are still very backward. A survey conducted by the National Statistics Office has shown that in 1980, the infant mortality rate reached 69.9 per thousand live births. The mortality rate for children under 5 years old was 7.8 per 1,000 children in that age group. As compared with other developing countries, or other countries in Asia, these rates are rather high. The high infant mortality rate is one reason that the people in the rural areas do not want to use birth control.

Thus, if the government can improve and expand mother-infant health activities so that they are carried out more widely and more efficiently, the infant mortality rate will decline and the number of children who survive and who have good health will increase. This in turn will give the people greater confidence about using birth control.

This seminar is being held in order to exchange ideas, to analyze the problems and obstacles in carrying on mother-infant health activities and to find a way to develop mother-infant health activities and combine them with primary health care activities so that the scope of the activities fully encompasses the targeted population and so that the activities are carried on with certainty and with efficiency.

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BRIEFS

NORTHEAST SEPARTIST PARTY--The director of the Directorate of Operations has revealed that the Northeast Liberation Party has changed its name to the Northeast Independence Party. This party is a member of the Indochina State Federation. He said that the party will not survive. Major General Chaowalit Yongchaiyut, the director of the Directorate of Operations was interviewed by MATICHON on 22 June. He stated that, the Northeast Thai Liberation Party has now changed its name to the Northeast Independence Party, which is a member of the Indochina State Federation. The leader is Mr Bunyen Wothong. This party is trying to play an important role but it will probably not survive since its reliance on foreign countries in the revolution, especially for forces, is not correct. The director of the Directorate of Operations added that, to date, this party has not stipulated a definite policy. When the Thai army attacked the communist terrorists at Phu Miang and Phu Khat in Loei Province recently, the Northeast Independence Party came and took people and dispersed CPT soldiers into Laos. A news report has stated that, at present, a Lao major general is serving as the leader of this party together with Mr Bunyen. [Text] [Bangkok MATICHON in Thai 25 Jun 82 p 3] 11943

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